

## Pretoria Reforms Suffer Setback in Special Elections

**JOHANNESBURG** — South Africa's ruling National Party suffered its first defeat from the right in 35 years in one of three special elections that were widely seen as a test of government reform plans.

Andries P. Treurnicht, leader of the breakaway rightist Conservative Party, which supports strict racial segregation, increased his majority in the Waterberg constituency, which he had held for the Nationalists for 11 years.

Manpower Minister Stephanus P. (Fanie) Botha, the most senior member of the cabinet, kept his Soutpansberg seat after a 17-hour vote count, defeating his Conservative challenger, Thomas Langley, by only 621 votes.

In the wealthy Pretoria suburb of Waterkloof, the Nationalists resisted a strong challenge from the anti-apartheid Progressive Federal Party. Mr. Langley had held Waterkloof until he resigned it to run against Mr. Botha in Soutpansberg.

Mr. Botha challenged Mr. Treurnicht and Mr. Langley three months ago to resign their seats and stand for re-election in the solidly Afrikaner seats in northern Transvaal to test sentiment on government plans to set up a three-chamber parliament for whites, for coloreds, as people of mixed race here are known, and for Indians.

Mr. Treurnicht and 17 other members of parliament opposed to the plans left the National Party last year.

To the dismay of many Nationalists, who regard the two northern constituencies as the most hostile to the government's reforms, the Conservatives accepted Mr. Botha's challenge.

The reform plans, detailed in a parliamentary bill published May 3, would continue to exclude from government the country's blacks, who make up 70 percent of the population.

But the main theme of the Conservatives' special election campaigns was that Prime Minister P. W. Botha's reforms would eventually lead to black domination.

Stephanus Botha, the Soutpansberg, which borders Zimbabwe, for 25 years.

In Waterberg, a stronghold of Afrikaner nationalism for more than 40 years, Mr. Treurnicht came in nearly 2,000 votes ahead of his National Party opponent. His victory was the first defeat from the right for the National Party since it took power in 1948.

Prime Minister Botha has a large enough majority in the parliament to push through his reforms and is not obliged to call a general election until 1986.

Mr. Treurnicht called his victory a triumph for a party that was only a year old, but he declined to predict whether it would force the government into a general election.

Frederik van Zyl Slabbert, the leader of the Progressive Federal Party, said the Waterberg result was a personal triumph for Mr. Treurnicht. He said, however, that the results as a whole showed the maintenance of the status quo and the Waterkloof result showed the Nationalist Party had nothing to fear from the right in urban constituencies.

In Waterkloof, Mr. Marais, the Nationalist candidate, held the seat with 6,917 votes. The Progressive Federal Party, which had been widely expected to win, received 4,886 votes.

**Police Confirm Deaths**

Police headquarters in Pretoria confirmed Wednesday that two black men had died in custody at a police station in eastern Transvaal province. The Associated Press reported. A police spokesman said investigations had begun into the deaths of Themba Manana and Zofania Sibanyoni at the Dikensdorp station.

The deaths occurred a month after officers from the same Dikensdorp station shot to death Saul Mkhize, leader of the Dikensdorp community, the South African Press Association said. International protests followed Mr. Mkhize's shooting.

**Arrests in Zimbabwe**

Reuters reported from Harare that the Zimbabwe government said it had caught three black members of the former Rhodesian security forces who had been infiltrated into troubled Matabeleland by South Africa.

The Herald newspaper on Wednesday quoted an unnamed Zimbabwean source as saying "the three were part of a group of 10 former members of Rhodesian paramilitary forces sent to Zimbabwe by the Pretoria government earlier this year to recruit volunteers for military training."



Foreign Minister Yitzhak Shamir of Israel, right, and Philip C. Habib, the U.S. special envoy, met Wednesday morning in Jerusalem. Mr. Shamir later addressed the Knesset on the terms of the tentative accord with Lebanon for the withdrawal of Israeli troops.

## Shamir Says Israel May Not Quit Lebanon If Syria, PLO Remain

By David K. Shipler  
New York Times Service

**JERUSALEM** — Foreign Minister Yitzhak Shamir told parliament Wednesday that "Israel will be free to act as it sees fit" if Syria and the Palestine Liberation Organization refuse to withdraw from Lebanon.

He gave no hint of what course Israel might take in the face of such a refusal, but most speculation here has discounted the possibility of an Israeli attack on Syrian forces.

Mr. Shamir, briefing the Knesset, or parliament, on the tentative security accord reached last week with Lebanon, did not deal directly with the risk of war. But he expressed the hope that the Syrian rejection of the agreement would be followed by a more moderate response.

The withdrawal of Israeli forces to the international border, he said, "is conditional on the return of all prisoners, those missing in action and the bodies of Israeli dead held by the PLO and Syria, and on the complete withdrawal of the terrorists and Syrians from all of Lebanese territory. If these conditions are not met, the agreement will be considered suspended, and Israel will be free to act as it sees fit and according to its interests."

Finally, Syria would not want to be regarded in the Arab world as a lackey of the Soviet Union. Against this analysis stands an array of Syrian and Soviet attitudes that seem to favor a continued Syrian occupation of northern and eastern Lebanon.

Damascus has asserted claims to Lebanese territory, and Israeli officials have often accused Syria of wanting to annex the entire country. This means that if President Assad does withdraw his troops, it could be a tactical pullout aimed at

(Continued on Page 2, Col. 1)

## Pentagon Has Set Up Secret Unit For Intelligence, Covert Operations

By Raymond Bonner  
New York Times Service

**WASHINGTON** — The Defense Department has set up a special unit for intelligence gathering and covert operations to supplement the Central Intelligence Agency and the Defense Intelligence Agency, according to several officials and others familiar with the unit and its activities.

The sources said that the secret Pentagon unit, which they identified as the Army Intelligence Support Activity, was intended to operate around the world, and that two current missions were in El Salvador and in support of anti-Sandinist guerrillas in Nicaragua.

The existence of the unit was confirmed by a high-ranking Defense Department official, who declined to provide any details. A department spokesman, James Freeman, declined to answer questions about the matter.

Government sources and a former intelligence official said the unit was established in 1980, during the planning of the raid to free the American hostages then being held in Iran. According to the government sources, the Pentagon had been dissatisfied with the intelligence data it was getting from the CIA.

The sources said that the unit, for nearly a year, conducted clandestine operations without a "presidential finding," a legal authorization required by Congress and that the Pentagon had not advised the Senate and House Intelligence committees of the unit's existence, as required by law.

One source said that during this period the CIA and the Defense Intelligence Agency, which is the Pentagon's regular intelligence unit, had been unaware of the secret unit's activities except possibly "in very vague terms."

The unit was said by the sources to be operating now in compliance with the law. They said it included clerical and support personnel, along with military servicemen and civilians in the field.

According to a government official, the unit began operating in El Salvador about the time of the elections for the Constituent Assembly in March 1982.

The official said the group in El Salvador included servicemen, but he declined to say whether their presence meant that the stated ceiling on U.S. military personnel in El Salvador was being exceeded.

Salvador was being exceeded as a result. Under an agreement with congressional leaders, the Reagan administration has set a limit of 55 military advisers in El Salvador.

In connection with the Nicaraguan mission, several sources said, the Pentagon unit is gathering intelligence to support anti-Sandinist forces and does not have anyone stationed inside Nicaragua.

Elsewhere around the world, the sources said, the unit has provided military equipment to foreign forces and deployed servicemen using false identities to collect intelligence.

The sources declined to identify the unit's headquarters, although they indicated that some of its operations were run out of Fort Bragg, North Carolina, apparently as an extension of the army's Special Forces there.

The congressional intelligence panels "stumbled on" the unit's existence, as one source put it, after an article in The Boston Globe in July 1981 said the United States

had provided intelligence support to James G. Gritz, a former Special Forces officer, on private forays into Laos in search of American servicemen rumored to be still alive and held captive since the Vietnam War.

Although the intelligence committees were said to have conducted an investigation subsequently, several committee members who were asked about the unit said last week that they still doubted whether the committees had been fully informed of its operations.

One House member, who declined to be identified, said that, on a trip to Central America, he had asked CIA operations chiefs in Honduras, El Salvador and Nicaragua whether they were aware of the activities of the special Pentagon unit and that each had said no.

The sources said the unit played an unspecified role in the rescue in January 1982 of Brigadier General James L. Dozier, who had been kidnapped by the Red Brigades terrorists in Italy.

Some officials in Jerusalem have spoken privately of a "redemption" of the Israeli Defense Forces, possibly involving a withdrawal from its present positions in the Golan Heights to a security line along the Awali River, whose mouth lies 37 miles (59 kilometers) north of the Israeli border.

Defense Minister Moshe Arens dampened some of the speculation about a partial, unilateral withdrawal Monday night when he warned that the Syrians could move forward to such a line and turn it into a front in a war of attrition.

Another senior official expressed the fear that Syria, feeling self-confident with an influx of weapons and technicians from the Soviet Union, might beat up the military situation in Lebanon by shelling Israeli troops.

"We will do everything we can to prevent a military confrontation with the Syrians," the official said. But he added that "this whole exercise on their part could be dangerous."

Shimon Peres, leader of the opposition Labor Party and a former defense minister, urged a unilateral withdrawal to a security line about 30 miles north of the Israeli-Lebanon border if Syria does not announce before June 6 its intention to withdraw.

That date is the first anniversary of the Israeli invasion of Lebanon. Mr. Peres said that if a war of attrition developed, it would be less severe along a shortened front than it would be on the current line.

The Israeli debate on security seems to be hampered by doubts about just what the Syrians intend. The most optimistic analysis here holds that the government of President Hafez al-Assad is anxious to bargain for Saudi money and Syrian

government of El Salvador, which would have to submit a report on its proposals for reform.

The plan would give half the military aid money to the El Salvador government and the other half to the El Salvador's progress in meeting the conditions.

**Senate Panel's Vote**

Don Oberdorfer and Margot Hornblower of The Washington Post reported.

The Senate Foreign Relations Committee on Tuesday unanimously approved the \$76.3 million per year in military aid for the Salvadoran government after rejecting the full \$136.5 million requested by the administration for fiscal year 1983 and \$86 million for fiscal 1984.

Administration officials called the outcome a substantial improvement over earlier proposals the committee had discussed, but said they reserved the right to fight for further gains on the Senate floor.

The aid level voted by the committee is close to the \$81 million the United States gave the Salvadoran government in 1982.

The House committee plan, offered by Representative Dante B. Fascell, a Florida Democrat, set several conditions to be met by the

government of El Salvador, which would have to submit a report on its proposals for reform.

The House committee plan, offered by Representative Dante B. Fascell, a Florida Democrat, set several conditions to be met by the

government of El Salvador, which would have to submit a report on its proposals for reform.

## New Free-Trade Plan Teams Up GATT, IMF

By Paul Lewis  
New York Times Service

**PARIS** — Two leading international economic groups will join forces in a new attack on world protectionism through an agreement reached between officials of the Reagan Administration and other Western countries at a dinner Tuesday night, European monetary officials said Wednesday.

The groups are the International Monetary Fund, which is responsible for the smooth working of the world's monetary system, and the Geneva-based General Agreement on Tariffs and Trade, which oversees international trade.

The dinner and the working meeting that followed it Wednesday morning, these sources say, produced a broad agreement on a U.S. plan to bolster world economic recovery by setting up a new institution charged with expanding trade and heading off a Third World debt crisis that could lead to the collapse of the Western banking system.

However, the new institution probably will not take the form the Reagan administration originally suggested. The most likely decision now, European and U.S. officials say, will be to invite trade ministers of future meetings of an existing financial body known as the Group of 10, which brings together the finance ministers of the 10 richest Western nations and Switzerland.

The heads of the IMF, the JATT and the Paris-based Organization for Economic Cooperation and Development, which monitors the Western economic performance, would also attend.

Such an enlarged Group of 10 could provide a forum in which the major Western countries could seek to integrate more closely their economic and trade policies, as the United States wants, and oversee planned new offensive against protectionism. The basic aim of the new group would be to ensure that restrictive trade measures do not sink a new Third World debt crisis and destroy hopes of a world recovery.

Originally, the United States wanted to give this responsibility to a new body to include trade and finance ministers from the seven countries participating in the annual Western Economic Summit meeting. But France balked, saying the

United States was trying to institutionalize the conference, which France wants kept informal.

As a result, senior ministers from several European countries stayed away from the U.S.-sponsored dinner and the Wednesday working session, sending deputies instead.

But two other Group of 10 members, Belgium and Holland, were invited at the last minute and the heads of the IMF, the GATT and the OECD also attended.

At a press conference Wednesday morning, U.S. Treasury Secretary Donald T. Regan and William Brock, the U.S. special trade representative, described the talks as "a great success" and "long overdue."

(Continued on Page 2, Col. 6)

(Continued on Page 2, Col. 6)

## U.K. Elections: Issues Are Clear, Tone Is Nasty

By R.W. Apple Jr.  
New York Times Service

**LONDON** — Not since 1945, when the Conservatives under Winston Churchill joined battle with Labour under Clement Attlee, have Britain's major political parties fought a general election on platforms as diametrically opposed as the ones they have adopted for the balloting four weeks from Thursday.

The cozy old consensus days of R.A. Butler and Hugh Gaitskill seem to have vanished forever.

Not everything the parties promise will come to pass, of course.

World trends and events, as Prime Minister Margaret Thatcher has discovered during her four years in office, can push the most determined leader off the track, and changing domestic realities can prompt change as well. But political manifestos are taken seriously here, by both the electorate and the parties themselves, and the outcome on June 9 will have a profound effect on Britain's future.

If the Tories win, Mrs. Thatcher can be expected to pursue her crusade to keep down prices and interest rates, so as to make this country more competitive in world markets. She will wait for improved economic performance to cut unemployment. She will continue to offer tax relief to the rich. She will denationalize more industries, including British Airways, and she will try to curb trade union power. She will continue to whittle away at the welfare state.

But if Labour wins and Michael Foot becomes prime minister, he will launch a \$15-billion program to stimulate the economy. Creating jobs will get far more emphasis than controlling inflation.

He will renationalize industries returned to the private sector by the Conservatives and nationalize more, possibly including a big bank. He will increase pensions, cut health-care charges and freeze rents.

Mrs. Thatcher would proceed with the purchase of Trident missiles for Britain and the deployment of U.S. cruise missiles. Mr. Foot would cancel both.

Mrs. Thatcher would keep Britain in the European Community. Mr. Foot would pull out. Mrs. Thatcher would side unequivocally with the United States against the Soviet Union. Mr. Foot, while retaining a U.S. ally, would be more flexible.

"This will be an election like no other in the memory of all but the hoariest of voters," The Guardian commented Tuesday morning.

The signs are that ideological polarization will lead to an exceptionally nasty contest. Already, in the

preliminary skirmishing leading up to the campaign proper, which opens next week, the usually gentlemanly standards of British politics are being flung aside.

The Tories seem determined to portray Labour as the captive of a Trotskyite fringe, and Labour seems determined to portray the Tories as a lot of heartless monsters.

Mr. Foot said on television Monday night that the Conservative campaign was based on "scares and sneers and lies." He said there had been nothing like it since Churchill accused Attlee of planning to create a Gestapo in Britain.

William Whitelaw, the deputy prime minister, said that people here and abroad were frightened by what would happen to this country if the Socialists won. He accused Labour of plotting "to change the basis of our society in a way the vast majority of people don't want."

The best possibility for the new Liberal-Social Democratic alliance, which is fighting its first general election, would appear to be public revulsion at a slanging match between the two big parties.

Roy Jenkins, the alliance's leader, argued again and again in interviews Monday night that extremism of either left or right was bad for Britain and out of tune with the voters' basic impulses. Only the al-

liance, he said, could provide calm, consistent leadership.

But the polls, the results of the local elections and the private assessments of the politicians agree that Mrs. Thatcher begins the campaign well ahead. Many professionals believe that unless she commits major blunders or unforeseen events intervene, she should be returned to power next month with a majority of more than 50 seats.

Her biggest problem is unemployment. The conventional political wisdom says that Mr. Foot will be unable to use that issue to turn the prime minister out of office. Britain's elaborate system of welfare benefits, the argument runs, has tempered the resentment of those without jobs, and the public at large blames the problem more on global trends than on the government.

But some observers believe that analysis is incorrect, and Tuesday the Financial Times, no friend of Mr. Foot's, addressed tough words on the subject to Mrs. Thatcher.

"It will not be possible indefinitely to blame the number out of work on world economic conditions or even on structural change," the newspaper declared. "No government deserves a second term in office if it cannot reasonably promise to bring unemployment down."

For Labour, the problems are seemingly endless. It has a budget of \$4 million (about £2.5 million),

some of which remains to be raised, against something like \$18 million already in the Conservative treasury.

Many of its safest seats will disappear in the reappointment of the House of Commons. Its leader is unpopular, so unpopular that a new poll for the British Broadcasting Corp. suggests that if Mr. Foot were replaced by his deputy, Denis Healey, the party would instantly pull ahead of the Tories.

Worst of all, some of Labour's policies seem ill-designed to produce the gain of almost 100 seats the party would need to take over, a gain larger than any party has managed since the war. Opinion surveys show that Mr. Foot's reflectionary economics are popular, but withdrawal from the European Community and unilateral disarmament have lost some of their appeal.

To prevent Mrs. Thatcher from winning another five years, or even to turn it into a close race, Mr. Foot will somehow have to erase his party's extremist image and pin that label on Mrs. Thatcher.

So far, he has failed. It sometimes seems that the prime minister practices a kind of political magic that enables her to pursue policies far outside the mainstream of past British policies and, at the same time, to portray herself as the embodiment of everyday, small-town good sense.

## Moslem Rebels Sack Philippine Village

United Press International

**MANILA** — Moslem separatists attacked a small village in the southern Philippines, massacred 16 civilians, and fled with five hostages, the Defense Ministry said Wednesday.

Two other persons were missing and feared dead, and several residents were wounded by gunfire, the ministry said. It said the guerrillas of the Moro National Liberation Front struck early Monday at the remote village of Masang in Sultan Kudarat province, about 550 miles (880 kilometers) south of Manila.

## INSIDE

■ More MX funds were voted by a House subcommittee after Reagan pledged more flexibility on arms control. Page 3.

■ Sino-Vietnamese tension? The recent reports may have been exaggerated by propagandists on both sides. Page 5.

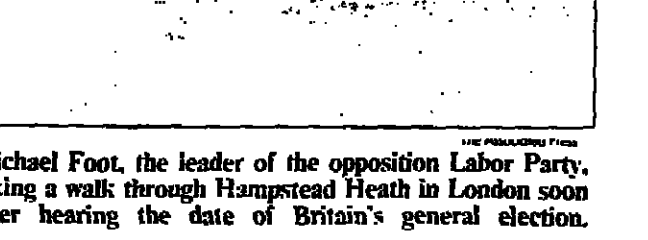
**TOMORROW**

■ Palm Beach, the Big Coconut of the Florida coast, is undergoing a renaissance. Hebe Dorsey reports. Weekend.

**BUSINESS/FINANCE**

■ New York stocks moved lower in profit-taking, with the Dow off 9.96. Page 7.

■ An EC panel supported France's loan request. Page 7.



Michael Foot, the leader of the opposition Labor Party, taking a walk through Hampstead Heath in London soon after hearing the date of Britain's general election.



# Israelis See Lebanon Accord As 2d Peace Pact With Arabs

By David K. Shipler  
New York Times Service

JERUSALEM — Israeli officials are describing the tentative security agreement with Lebanon as tantamount to a peace treaty.

In conversations with reporters since the accord was approved in principle by the cabinet Friday, officials who have seen the text have portrayed it as a wide-ranging document constituting the second major agreement between Israel and an Arab country.

Lebanon has refused to sign a formal peace treaty. But the pact to

which it has agreed is said to contain some broad commitments similar to those in Israel's 1979 peace treaty with Egypt.

Among these, officials say, are declarations that the state of war between Lebanon and Israel has been terminated; that both sides recognize their rights and obligations to live in peace within secure and recognized borders; that neither country will be used as a base for hostile actions against the other; and that each government will act to prevent the organization of terrorist attacks on the other.

"There is either a state of war or

a state of peace," an official said. "There is nothing in between."

The pledges in the accord may have little practical effect in a Lebanon whose government has no real control outside Beirut.

But they appear to constitute a quasi-legal arrangement under which Israel could intervene again in Lebanon if the agreement's terms were broken, specifically, if the Palestine Liberation Organization managed to re-establish itself militarily in the south.

The accord will not take effect until Israeli troops have withdrawn, and an Israeli withdrawal is being linked to a pullout by PLO and Syrian forces.

According to some Israelis, the agreement may be signed within a week if final clarifications of language are completed. Philip C. Habib, the special U.S. envoy to the Middle East, talked with Israeli negotiators for six hours Monday and spent most of Tuesday in Beirut.

The issues remaining include the precise role of Major Saad Haddad, who commands a pro-Israeli militia in southern Lebanon. Israel wants him to command a territorial brigade of the Lebanese Army that is to be established under the accord between the Israeli border and the Zaharani River, about 30 miles (48 kilometers) to the north.

The brigade is to include Major Haddad's militiamen and others recruited from the area; soldiers from other regions are not to be assigned to it.

Lebanon has agreed to make Major Haddad the deputy commander, but Israeli officials fear that he would not have enough authority to permit the continued Israeli intelligence and police work that Israel wants.

The agreement reportedly provides a restricted role for United Nations troops to monitor events at Palestinian refugee camps near the coastal cities of Sidon and Tyre.

The UN force, now numbering 5,900, has patrolled southern Lebanon since an Israeli invasion in 1978. Israel did not want the force to remain in the south because, Israeli officials said, it did not prevent a PLO buildup.

Nor did Israel want it guarding the refugee camps, where officials feared it could act as a screen behind which the PLO could turn the camps into bases.

But Beirut wants the force to patrol the northern and eastern parts of Lebanon, an Israeli official said, and is afraid that the Security Council will not change the force's mandate if it cannot be at the refugee camps.

The PLO's withdrawal from northern and eastern Lebanon is understood to be contingent on assurances that Palestinian civilians remaining will be protected.

The problem was largely resolved before Secretary of State George P. Shultz arrived two weeks ago, when all parties agreed that the Lebanese Army would have responsibility for security in the refugee camps and that UN troops would simply "survey and observe" the camps.

During Mr. Shultz's talks, it was agreed that UN troops would be stationed north of the border security zone.

## U.S. Officials Cite Possible Soviet SALT Violation

WASHINGTON — The Soviet Union may have violated the SALT-2 treaty last week by testing a new intercontinental ballistic missile, sources at the Defense Department say.

It was the third test firing of a Soviet intercontinental ballistic missile since October, the U.S. sources said Tuesday. The Pentagon sources, who asked not to be identified, said the missile fired last week bore the same characteristics as one launched in February.

Those missiles were apparently different from a new intercontinental ballistic missile fired last fall, known in the West as the SSX-24, the sources said. Moscow has reportedly told Washington that the SSX-24 would be the one new missile that SALT-2 allows each country to develop.

In addition, CBS News reported that some officials believe the missile fired last week carried as much as twice the explosive power permitted under SALT-2. Although Congress has not ratified the treaty, the United States and the Soviet Union have pledged to abide by it.

In April, an interagency committee reported to President Ronald Reagan that the Soviet Union may have violated the treaty several times. After the report was submitted, Mr. Reagan named a panel headed by the national security adviser, William P. Clark, to review intelligence data with a view to deciding whether or not to accuse the Russians publicly of cheating.

## U.S. House Panel Votes To Increase Israel Aid

By Margot Hornblower  
Washington Post Service

WASHINGTON — The House Foreign Affairs Committee has voted 18-5 to increase military grants to Israel by \$300 million more than President Ronald Reagan had requested in his 1984 budget.

The House action Tuesday followed the Senate Foreign Relations Committee's approval last week of a package of \$1.7 billion in aid to Israel, \$300 million more than the administration had sought. Both votes came at a delicate time in negotiations over the withdrawal of Israeli and Syrian troops from Lebanon.

Representative Joel M. Pritchard, Republican of Washington, argued before the vote that Secretary of State George P. Shultz would lose flexibility in the negotiations if Congress unilaterally increased the grants.

Mr. Pritchard had sponsored an unsuccessful amendment to keep aid to Israel at \$550 million in military grants and \$1.15 billion in military loans, as the administration had proposed.

"There's always been the feeling that in Congress, Israel has enough support to checkmate any administrative initiative," Mr. Pritchard said. "The administration can't call the tune of American policy."

Representative George W. Crockett Jr., Democrat of Michigan, added that the increase in grants "frees additional capital for Begin to continue building settlements in the occupied territory." His statement reflected congressional uneasiness over Prime Min-

## Israel May Not Pull Out If Syria and PLO Don't

(Continued from Page 1)

getting the Israelis out before a new Syrian and PLO infiltration.

In addition, the assessment in Jerusalem is that neither Syria nor the Soviet Union will want to give Israel and the United States an easy diplomatic victory, especially after Israel dealt such a stunning military blow to the Syrian Air Force and missile system last summer.

Moscow, long anxious to be taken seriously as a factor in the Middle East, is expected to seek some concessions from Washington in exchange for cooperation in Lebanon, possibly a new Geneva conference on the Middle East at which the Russians would play a prominent role.

Or, some diplomats say, the Soviet Union might seek U.S. moderation in an unrelated sphere, such as the deployment of nuclear weapons in Europe.

For Israel, the difficult question is what to do if Syria and the PLO do not withdraw. Since Israel's invasion of Lebanon in June and into the fall, Israeli officials were saying that even if Syria refused to pull its troops out, Israel would probably reduce its forces substantially. The Israeli position now seems to have hardened.

■ More Russians Leaving

A Soviet airliner left Beirut on Wednesday carrying a second group of Soviet Embassy dependents out of Lebanon, United Press International reported from Beirut.

Soviet Embassy sources said 11 children and 12 adults left on a scheduled flight to the Soviet Union. They joined 87 embassy dependents who left Monday on an unscheduled flight.

The departures have been attributed by Soviet officials to an upsurge in violence in the Lebanese capital.

In Washington, an administration official who asked not to be named, said Wednesday that "a dozen or so" Soviet advisers were in Lebanon's eastern Bekaa Valley, apparently to train Syrian troops in the use of the Soviet arms provided after last summer's fighting.

A State Department spokesman, Alan D. Romberg, said that there has "clearly been some re-introduction of PLO forces into Syrian-controlled areas of Lebanon." But he said there was "no sign that Syria is preparing to attack."

Other U.S. officials confirmed that there were signs of Syrian troops entering Lebanon.

In Beirut, the rightist Voice of Lebanon radio reported that Philip C. Habib, the U.S. special envoy, arrived Wednesday from Jerusalem, where he met early in the day with Mr. Shamir. The radio said Mr. Habib was holding talks to follow up on the tentative withdrawal accord reached last week.

**GALERIE KOLLER ZÜRICH**

SALES BY AUCTION 26th MAY - 4th JUNE / PREVIEW 12th - 24th MAY

Furniture  
Sculpture  
Clocks  
Silver  
24 May

Furniture  
Arms  
Works of art  
27 May

Rugs and carpets  
24 May

Swiss  
engravings  
Old graphic  
works  
Books  
24 May

Jewellery  
Musical  
instruments  
24 May

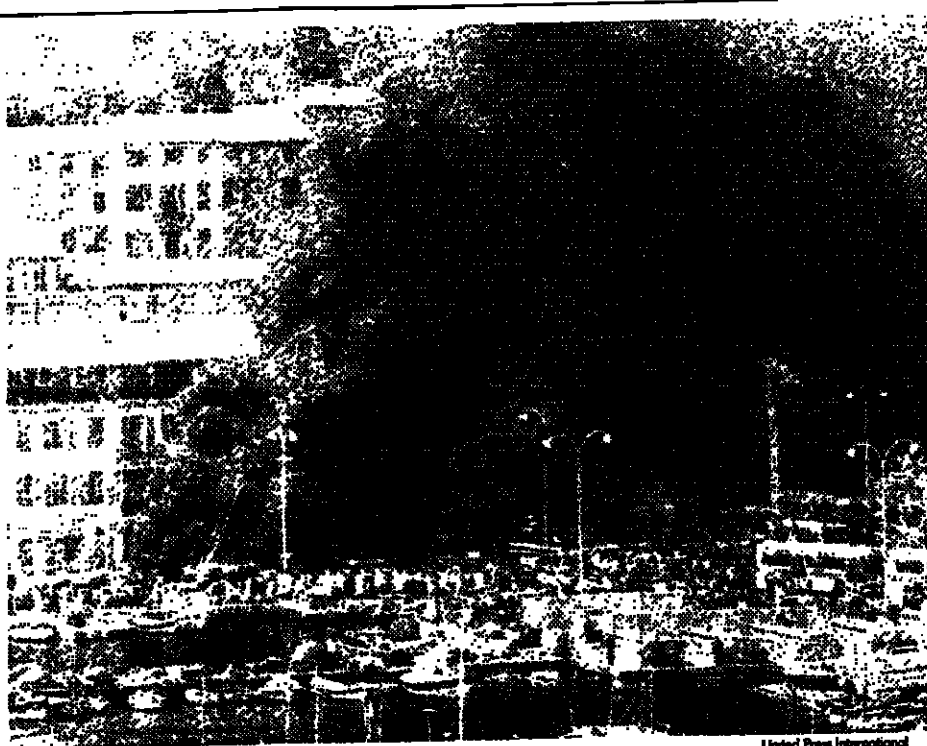
Oriental  
ceramics  
European  
porcelain  
Fayences  
Wine  
1 June

Japan  
China  
Art nouveau  
Glass  
2 June

Paintings  
3 June

Modern  
graphic  
works  
Tibet/Nepal  
4 June

8 Illustrated  
catalogues  
for each  
lot - 10 - 20 -



Smoke obscured central Cannes on Wednesday after students ignited stacks of tires.

## Students Invade Cannes Film Festival

United Press International

CANNES, France — Hundreds of students briefly invaded the hall where the Cannes Film Festival was taking place Wednesday, after setting a fire at the nearby port, attacking riot police and smashing the festival hall's glass door.

After a scuffle, the police dispersed the students with tear gas at the entrance of the newly opened Festival Palace. The incidents occurred during the fifth day of the two-week festival.

The incidents began when about 500 students protesting proposed university reforms set fire to two stacks of tires. The fire produced thick smoke at the main port, and darkened much of central Cannes.

The students then marched on the festival hall. They charged riot police outside the structure and smashed the door before briefly entering the lobby.

Before holding a sit-down demonstration, about 100 protesters hurled red paint across the sidewalks and the palace facade. The police took no action against them, and festival organizers postponed afternoon film showings.

In Paris, police wielding batons dispersed about 600 law students Wednesday night in the Latin Quarter. A police spokesman said that the charge against barricades erected on the Boulevard St. Germain and Boulevard St. Michel left several persons injured.

An earlier demonstration by students of the prestigious grandes écoles drew more than 2,000 protesters. The students, who are enrolled in highly selective administration, technology and military schools, marched from the Ecole Militaire, near the Eiffel Tower, through the Montparnasse district without incident.

## Dealer in Stuttgart Was 'Diaries' Source

By James M. Markham  
New York Times Service

HAMBURG — The journalist who discovered the phony diaries of Adolf Hitler admitted Wednesday that he had acquired them from a Nazi memorabilia dealer in Stuttgart, who reportedly forged them himself.

Gerd Heidemann, who acquired the 62 volumes for Stern magazine, said in an interview that he had obtained them from a refugee from East Germany named Konrad Fischer. Mr. Fischer, who has disappeared from Stuttgart, also used the name Konrad Kujau.

According to the Stuttgarter Nachrichten, a daily newspaper, Mr. Fischer, a calligrapher and artist, wrote the diaries in the past few years. The newspaper will publish its account Friday, since it will not publish Thursday, a holiday.

The man known to Mr. Heidemann as "Fischer" has in the past tried to sell Hitler documents, including a purported third volume of the dictator's biography, "Mein Kampf," to historians and collectors.

David Irving, a British historian, said Wednesday in an interview that in July 1982 he had denounced the Fischer documents as a forgery "in a small right-wing publication I edit." Mr. Irving called the hoax "a straightforward money-making scam."

Reporters at the Stuttgarter Nachrichten would give few details of their story except to say that Mr. Heidemann had taken delivery of two or three diaries at a time starting in 1980 in exchange for suitcases full of money.

In the interview here, Mr. Heidemann, who is being sued for fraud by Stern, insisted that "a private person cannot falsify at such length."

Mr. Heidemann acknowledged that it was improbable that Mr. Fischer could have made a lengthy pay call from a Communist country and speculated that he was in Austria.

## House, Senate Panels Back Salvadoran Aid Measures

(Continued from Page 1)

doran government last year in its fight against leftist guerrillas.

Three Republicans — Nancy Landon Kassebaum of Kansas, Charles McC. Mathias Jr. of Maryland and Larry Pressler of South Dakota — joined the eight Democrats on the panel in rejecting 11-6 the effort to approve the full Reagan-sponsored Salvadoran military aid program.

By insisting on the roll-call vote, even though it seemed certain to go against them, administration backers put Democrats and dissenting Republicans on record as rejecting Mr. Reagan's pleas.

Senator Richard G. Lugar, an Indiana Republican who pushed for the vote, spoke of fixing the political responsibility for El Salvador.

Mrs. Kassebaum, the principal sponsor of the compromise, was joined at the last minute by Senator Christopher J. Dodd of Con-

necticut, a leading Democratic critic of Mr. Reagan's Central America policies.

Mrs. Kassebaum worked out her program in a series of meetings with Senator Charles H. Percy, an Illinois Republican and the committee's chairman, and administration officials, including Thomas O. Enders, assistant secretary of state for inter-American affairs.

The administration received approval for \$26 million in Salvadoran military aid late last year and recently won committee approval to reallocate \$30 million in additional military aid from other programs.

Mrs. Kassebaum's plan would add \$20 million to this, with the provision that the additional funds could be spent only for training Salvadoran military forces within the United States. This is about half of the special training fund that Mr. Reagan had requested for this year.

## Sakharov Must Stay, Tass Reports

The Associated Press

MOSCOW — Andrei D. Sakharov, who was a prime developer of the Soviet hydrogen bomb, may not leave the Soviet Union because he knows state and military secrets, the Tass press agency said Wednesday.

The Tass report apparently was prompted by a statement by Mr. Sakharov's wife, Yelena Bonner, who said her husband was prepared to leave the country if invited and if the Soviet government would grant him permission. She said, however, that she doubted the government would ever allow him to go.

Mr. Sakharov, a human rights activist and Nobel Peace Prize winner, has been exiled in the Volga River city of Gorki for more than three years.

The Tass announcement seemed to permanently rule out Mr. Sakharov's departure from the Soviet Union. Until recently he had refused to leave, saying he had important work in human rights to continue that would be pointless in the West. But his growing isolation in Gorki, 250 miles (400 kilometers) east of Moscow, convinced him to leave if he could, Miss Bonner said Wednesday.

Austrian government officials announced late last month that Mr. Sakharov would be invited to teach for a year at the University of Vienna.

■ Dissident Weighs Offer

Sergei Batovrin, one of the founders of Moscow's only known independent peace group, said Wednesday he had been offered permission to leave the Soviet Union by Sunday but had not decided whether to go. The Associated Press reported from Moscow.

Mr. Batovrin, 26, a Jew, said he received a sudden offer of emigration to Israel eight days ago for himself, his wife, Natasha, 25; their baby daughter, Sonya; and his mother, Luba. He had been seeking to emigrate for seven years, but upon founding the peace group last summer, Mr. Batovrin wrote to the visa authorities, saying he was no longer interested.

## IMF, GATT Trade Push

(Continued from Page 1)

They said they expected the meeting to be continued.

European sources said that the basic agreement so far is for the IMF and the GATT to work more closely for the easing of protectionist measures by both industrialized and developing countries. Only if trade lanes are kept clear in this way will Third World countries be able to earn enough money to repay their debts.

In the coming months, these officials said, the IMF will insist increasingly that developing countries drop protectionist measures and become more open toward foreign investment in return for the credits it lends them. The IMF will also seek to persuade developed countries to give the Third World easier access to their markets.

GATT will help in this process by providing the IMF with an inventory of protectionist measures introduced by its member countries, and by trying to persuade them to loosen up instead.

The first meeting of the proposed new bigger Group of 10, officials say, will probably take place in September just before the annual ministerial meeting of the IMF and World Bank in Washington.

## WORLD BRIEFS

### Warsaw Rebuts Soviet Journal

WARSAW (LAT) — A newspaper identified with one of General Wojciech Jaruzelski's closest advisers said Wednesday that an "unprecedented" attack on the newspaper published in a Soviet foreign affairs magazine was based on inaccurate quotations.

The direct rebuttal by the weekly Communist Party newspaper, Polityka, in its latest issue appears to constitute a public act of defiance by the Polish authorities to what was clearly a warning from Moscow. It is considered certain that the move dealing with Soviet-Polish relations required top political clearance.

The exchange began with an attack on Polityka in the current issue of the Soviet journal New Times saying that the Polish newspaper, edited for 25 years until last September by a deputy premier, Mieczyslaw Rakowski, propagates "views foreign to proletarian, communist ideology." The deputy premier is a close associate of General Jaruzelski, the Polish leader.

### Showdown Near on U.S. Budget

WASHINGTON (AP) — The Republican-led Senate is nearing a showdown on rival budget plans to decide whether taxes should rise significantly next year.

After nearly two weeks of intensive maneuvering, the majority leader, Howard H. Baker Jr., Republican of Tennessee, said he was "mildly optimistic" Wednesday that the Senate would approve a budget plan that he backs and that Mr. Reagan reluctantly supports.

At issue is whether the sharply rising federal deficits must be met with increased taxes or whether the economic recovery should be allowed to continue without additional federal revenues despite the deficits expected to approach \$200 billion for the next four or five years.

### West Weighs Robot Ban to Russia

TOKYO (Reuters) — Western nations producing industrial robots are considering banning future sales of sophisticated models to the Soviet Union, Japanese industry sources said Wednesday.

The United States is believed to have urged robot-producing countries to add robots to the list of items whose export to the Soviet Union is supervised by the West's Paris-based trade Coordinating Committee.

Details of discussions have not been made available to manufacturers, the sources said, and the Japanese Ministry of Trade and Industry refused to comment Wednesday.

The sources said they understand that the United States wants to end transfers of technical information about high-performance robots, especially details of their control devices, or computer brains.

### Bonn Closes Border Death Case

BONN (Reuters) — The prosecutor investigating the April 10 death of a West German under questioning by East German border officials said Wednesday he was closing his file on the case, satisfied that the man died of a heart attack.

Rudolf Burkert's death caused a major dispute between the two countries and culminated in the cancellation by the East German leader, Erich Honecker, of a planned trip to Bonn later this year.

The prosecutor said there was no evidence to suggest another person was involved in the death. A pathologist's report showed Mr. Burkert, 46, died of a heart attack and that his injuries were not a contributory cause, he said.

### Mitterrand to See Reagan May 28

PARIS (Reuters) — President François Mitterrand, at odds with Washington over a range of economic issues, will hold talks with President Ronald Reagan shortly before the conference of major Western nations opens later this month, it was announced Wednesday.

The talks are to take place on Mr. Mitterrand's arrival at Williamsburg, Virginia, on May 28, just before the start of the meeting of the seven nations on the Elysée Palace said.

U.S. preparations for the conference have been at the center of a quarrel between France and the United States for the past month and led to the French boycott of a meeting of top finance and trade representatives in Paris on Wednesday.

### IRA Kills Wife of British Soldier

LONDON (Reuters) — Two IRA gunmen burst into a home where a British soldier was visiting and fatally wounded his wife in the back after she tried to shield him, the police and the IRA said Wednesday.

The soldier and his sister-in-law were also wounded in the attack Tuesday night. Both were reported in stable condition after surgery. Sergeant Brian Purvis and his wife, Alice, were watching television with her sister, Nancy Wasson, and other relatives when the gunmen burst in, the police said.

The IRA said in a statement that its men intentionally shot the soldier but accidentally shot the women. "One of our volunteers was tackled by several women in the house, and in the ensuing struggle a weapon was accidentally discharged." It added, "Any family who conceal and defend any British soldier or allow their home to be used by them must accept consequences for their actions."

### EC Projects \$25.5-Billion Budget

BRUSSELS (Reuters) — The European Community published Wednesday a budget for 1984 of \$25.5 billion, enough to almost exhaust its funds. Nearly 65 percent of the budget goes to farm subsidies.

The document made no specific provision for a rebate to Britain that diplomats said Prime Minister Margaret Thatcher hoped would increase her chances in the British general election June 9. But officials said there were provisions to pay Britain a rebate if community governments and the European Parliament agreed to it.

The budget leaves the EC a very small margin of maneuver, allowing for spending to within 670 million European units of account, equivalent to dollars, of the limit of its resources. It projects a 19-percent increase in allocations for regional development and a 15-percent increase in social expenditures, including job creation.

### Iran Reports Iraqi Raid on Wells

NICOSIA (Combined Dispatches) — Iraqi planes attacked the Iranian offshore Abuzar oil field in the Gulf on Wednesday, the Iranian press agency reported.

The agency did not report any damage and said the four attacking aircraft were repulsed after one of them was shot down in a fight with Iranian jets. It said the attack occurred Wednesday afternoon.

An Iraqi communique carried by the Iraqi press agency reported air and sea action against the Iranians in the area. It said an Iranian vessel was attacked and destroyed, but made no mention of the oil field. Abuzar is in the northeastern corner of the Gulf near the Nowruz oilfield where wells damaged in Iraqi attacks late in February and early March are still pouring oil into the water.

### Nicaragua Challenges Sugar Quota

GENEVA (AP) — Nicaragua filed a formal complaint Wednesday charging that the United States has violated its commitments to free trade by imposing drastic cuts on sugar imports.

The complaint, filed under the General Agreement on Tariffs and Trade, alleges that the U.S. decision to cut nearly 90 percent of its Nicaraguan sugar imports is incompatible with GATT rules because it was politically motivated.

Speaking at a United Nations conference, the Nicaraguan deputy foreign trade minister, Bernardo Chamorro Chodra, accused the United States of a new act of aggression against the Sandinist government. He said it "violated the letter and spirit of GATT" rules on world trade. Rolando Prager, the U.S. delegate, refused to comment.

### Australian Linked to Soviet Agent

CANBERRA, Australia (AP) — Prime Minister Bob Hawke said Wednesday that a government investigation had revealed that a high-ranking former Labor Party official "either had been, or appeared to have been, compromised" by a recently expelled Soviet KGB agent.

Speaking in Parliament, Mr. Hawke said the government's national and international security subcommittee had found that the agent, Valeri Ivanov, had engaged in the "deliberate cultivation ... of the relationship" with David Combe.

Mr. Combe, 40, was general secretary of the Labor Party from 1973-81, the first five years of which Mr. Hawke was the party's federal president and worked closely with him.

### For the Record

PARIS (UPI) — The U.S. secretary of defense, Caspar W. Weinberger, and his counterpart, Charles Hernu, met Wednesday at the Defense Ministry in Paris.

NAPLES (AP) — Six countries will take part in nine days of NATO maneuvers in the Mediterranean starting Monday, it was announced Wednesday. The United States, Britain, France, Italy, Turkey and Canada will provide forces for the exercise.

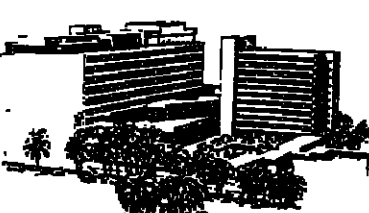
TOKYO (AP) — The Soviet Union will choose a new president next month, a post vacant since the death of Leonid I. Brezhnev, the editor of Pravda said Wednesday in Tokyo.

## IN AMMAN THE MOST DEMANDING TRAVELLERS STAY INTER-CONTINENTAL

Ideally located just a few minutes from the city centre in the heart of the diplomatic, government and residential area. Our businessman's centre provides a secretarial and translation service and now there are an additional 200 rooms, the most modern in Jordan.

Hotel Jordan Inter-Continental, Queen Zain Street, Jabal Amman, P.O. Box 35014/15, Amman, Jordan. Telephone: 41361 Telex: 21207/21267

There are also Inter-Continental Hotels in Abu Dhabi, Al Ain, Bahrain, Dubai, Kabul, Karachi, Lahore, Malaga, Muscat, Peshawar, Rawalpindi, Riyadh, Teheran, and 80 other great Hotels around the world.





## Saudis Visit 'Sheikh Andy'

Atlanta Mayor Young Still a Third-World Attraction

By Art Harris

Washington Post Service

ATLANTA — When Andrew Young, Atlanta's globetrotting mayor, flew to Saudi Arabia in March, sheiks and princes fought over his hotel bills, courted him with expensive gifts and burned expensive incense at his feet.

High-level officials sought audiences. There were feasts in his honor. Bazaars were kept open so he could shop, even as mullahs called people to prayer. Servants hovered. Limousines whisked him about the desert.

Once the U.S. ambassador to the United Nations, Mr. Young used the chance to pitch his latest foreign-policy initiative: Southern-Limited capitalism. He invited the Saudis to scout Atlanta for opportunities. Two months later, they came.

About 70 Saudis, including prominent Saudi businessmen and government officials, flew in from Jeddah, Riyadh and London for a two-day conference to talk trade with 300 American businessmen and bankers.

The Saudis grinned as Carl Sanders, a former Georgia governor, half-jokingly introduced Mr. Young to the conference as "Sheikh Andy."

They watched in interest as President Ronald Reagan, via satellite hookups, vowed to fight protectionist measures impeding foreign trade. But Commerce Secretary Malcolm Baldrige drew hisses when he said there were no plans to grant favored-nation trading status to Saudi Arabia.

Mr. Young drew applause later when he said: "I've been accused of being a mayor with a foreign policy. I plead guilty. If you can't trust your government's foreign policy, somebody's got to work on it."

Sponsored by The Saudi Gazette, an English-language daily, and the U.S.-Chamber of Commerce, the conference, which ended Tuesday, was billed as a seminar to educate Americans on how to work with a technology-hungry Saudi marketplace that is coping with oil price drops and declining revenues.

More than anything, the conference highlighted Mr. Young's enduring role as an ambassador-in-exile to the Third World. Not a week goes by without a visitor from Nigeria or Senegal or Jamaica signing the guest register in Atlanta's City Hall.

Mr. Young remains an international star almost four years after he resigned his position as UN ambassador in the Carter administration. The resignation followed a so-

cret meeting between Mr. Young and a Palestine Liberation Organization official, a contact barred by U.S. policy at the time.

"We Arabs are very loyal people," said Abdullah Adreza, a Saudi entrepreneur. "We remember things like that."

Michael P. Saba, a U.S. director of OKAZ, the Saudi communications company that owns The Saudi Gazette, said: "He's a guy who showed he cared and suffered in the process. Arabs owe a debt in eternity to Andy Young."

Prominent Saudi officials in attendance included Fouad Farsy, deputy minister of industry and electricity, and Faisal Bashir, who advises the quasi-governmental agency SABIC on how to spend billions of dollars in development capital.

Others present were Abdul Aziz Dakhel, chairman of the Saudi Investment Banking Corp., and Gaith Pharron, the entrepreneur who bought the National Bank of Georgia from Bert Lance, former budget director for President Jimmy Carter.

Mr. Pharron said in an interview that his bank "would play a role" in funneling Saudi money into a variety of ventures in the southeastern United States.

side dealing three years ago when it was disclosed that he secretly bought 50 newly converted condominium units at a bargain price after the City Council approved an ordinance benefiting the condominium owner.

A year after his election to the City Council, Mr. Vrdolyak received a "housewarming present" when he built an elegant new home, 30,000 bricks were donated by a contractor who, according to the Chicago Tribune, did business with the city.

This year, Mr. Vrdolyak agreed to pay the Internal Revenue Service more than \$73,000 as settlement of an IRS claim for \$172,000 in back taxes.

Mr. Vrdolyak, who once studied for the priesthood, was reared in an apartment above his immigrant father's tavern in a tough steel mill neighborhood on Chicago's South Side.

The man who last year became boss of the Chicago machine once said, "Politicians are really modern cavemen who still carry clubs but wear suits and ties."

The impasse in City Hall is an example of that political style. Mr. Washington has enough votes to sustain a veto, but Mr. Vrdolyak

has the votes to hold the new mayor's reform programs hostage.

A Chicago magazine observed 10 years ago that Mr. Vrdolyak one day "is going to turn up in a trunk somewhere. If not, he'll probably wind up owning the town."

He may not own the town yet, but in the old-fashioned game of power politics, Mr. Vrdolyak has something the new mayor needs desperately — City Council votes.

He may not own the town yet, but in the old-fashioned game of power politics, Mr. Vrdolyak has something the new mayor needs desperately — City Council votes.

He may not own the town yet, but in the old-fashioned game of power politics, Mr. Vrdolyak has something the new mayor needs desperately — City Council votes.

He may not own the town yet, but in the old-fashioned game of power politics, Mr. Vrdolyak has something the new mayor needs desperately — City Council votes.

He may not own the town yet, but in the old-fashioned game of power politics, Mr. Vrdolyak has something the new mayor needs desperately — City Council votes.

He may not own the town yet, but in the old-fashioned game of power politics, Mr. Vrdolyak has something the new mayor needs desperately — City Council votes.

He may not own the town yet, but in the old-fashioned game of power politics, Mr. Vrdolyak has something the new mayor needs desperately — City Council votes.

He may not own the town yet, but in the old-fashioned game of power politics, Mr. Vrdolyak has something the new mayor needs desperately — City Council votes.

He may not own the town yet, but in the old-fashioned game of power politics, Mr. Vrdolyak has something the new mayor needs desperately — City Council votes.

He may not own the town yet, but in the old-fashioned game of power politics, Mr. Vrdolyak has something the new mayor needs desperately — City Council votes.

He may not own the town yet, but in the old-fashioned game of power politics, Mr. Vrdolyak has something the new mayor needs desperately — City Council votes.

He may not own the town yet, but in the old-fashioned game of power politics, Mr. Vrdolyak has something the new mayor needs desperately — City Council votes.

He may not own the town yet, but in the old-fashioned game of power politics, Mr. Vrdolyak has something the new mayor needs desperately — City Council votes.

He may not own the town yet, but in the old-fashioned game of power politics, Mr. Vrdolyak has something the new mayor needs desperately — City Council votes.

He may not own the town yet, but in the old-fashioned game of power politics, Mr. Vrdolyak has something the new mayor needs desperately — City Council votes.

He may not own the town yet, but in the old-fashioned game of power politics, Mr. Vrdolyak has something the new mayor needs desperately — City Council votes.

He may not own the town yet, but in the old-fashioned game of power politics, Mr. Vrdolyak has something the new mayor needs desperately — City Council votes.

He may not own the town yet, but in the old-fashioned game of power politics, Mr. Vrdolyak has something the new mayor needs desperately — City Council votes.

He may not own the town yet, but in the old-fashioned game of power politics, Mr. Vrdolyak has something the new mayor needs desperately — City Council votes.

He may not own the town yet, but in the old-fashioned game of power politics, Mr. Vrdolyak has something the new mayor needs desperately — City Council votes.

He may not own the town yet, but in the old-fashioned game of power politics, Mr. Vrdolyak has something the new mayor needs desperately — City Council votes.



Andrew Young

## Funds for MX Development Backed by Key House Panel

Compiled by Our Staff From Dispatches

WASHINGTON — A key House subcommittee voted 9-3 Wednesday to give President Ronald Reagan funds for further research and development of the MX missile after he gave written assurances to Congress that he was willing to take a more flexible position on arms control.

President Reagan also notified members of Congress that he was "developing some modifications" in his proposed treaty with the Soviet Union on reducing long-range nuclear weapons.

The MX vote came on a resolution by Representative Jack Edwards of Alabama, ranking Republican on the House defense appropriations subcommittee, that would permit in-flight testing of the MX but would not allow procurement of the missile.

To me, this is the next and proper logical step that we should be taking in regard to the MX," Representative Edwards said. He called the subcommittee vote "a clear endorsement" of a bipartisan commission's recommendations on strategic arms.

In his letter to a subcommittee member, Norman Dicks, Democrat of Washington, Mr. Reagan strongly endorsed the arms control proposals of his special Commission on Strategic Forces, headed by Brent W. Scowcroft, former national security adviser and retired air force general.

Representative Albert A. Gore Jr., Democrat of Tennessee, said Mr. Reagan's letter "made it crystal clear to us they are going to change the START proposal and they are doing so now." START stands for the Strategic Arms Reduction Talks in Geneva.

Mr. Gore said "we will have a new START negotiating proposal based on stability and the ratio of warheads to missile silos" when the talks resume in Geneva on June 8.

Representative Dicks was one of nine House members who wrote Mr. Reagan last week questioning his commitment to arms control. Three influential senators wrote to him separately that they would not vote for MX funds unless the administration adopted a new and more flexible approach to arms control.

"I agree wholeheartedly with the essential theme of the Scowcroft commission's approach to arms control: the attainment of stability at the lowest possible level of forces," Mr. Reagan said.

He said he also saw merit in the congressional proposals to establish a second bipartisan panel to carry out the Scowcroft commission's recommendations. The president made no mention

in his letter of a call by the senators for a "build down" of nuclear arsenals by destroying two older weapons for each new one deployed.

Administration officials have contended there could be problems verifying compliance with such a treaty.

Two congressional supporters met with White House and National Security Council aides Wednesday on the build-down proposal and said afterward they were optimistic the president would endorse the proposal.

Senator William S. Cohen, a Maine Republican, said: "I think there are some positive developments."

Senator Sam Nunn, a Georgia Democrat, added: "I do believe we

are moving toward an overall positive agreement and a meeting of the minds."

In his letter to Representative Dicks, President Reagan also:

• Promised to "promptly undertake a major effort" to develop a smaller, single-warhead missile that would be considered more stable to the strategic arms balance of the United States and the Soviet Union than multi-warhead weapons like the MX.

• Indicated he would be willing to use the MX at the bargaining table in Geneva.

• Agreed that a decision on final deployment of the MX might have to be reconsidered in 1987, in light of other developments such as progress in arms control.

## How to solve a cash problem you probably don't even know you have.

We spotted and solved a hidden problem. Transfers between company accounts denominated in differing currencies lost time and money, because they are made as the result of individual decisions even though they are routine procedures.

Our cash management analysts have created a system which automatically eliminates this problem. A system called the Corporate Concentration Account.

This Account links a parent and its subsidiaries. Denominated in a master currency it automatically generates sub-accounts in required currencies.

Remitted funds to sub-accounts are kept either in their respective currencies or automatically transposed to the master currency.

A hidden problem is eliminated automatically. Extra advantage can be gained by linking the account to one of our Investment Accounts which profit from Luxembourg's tax laws.

A new booklet outlining the full advantages of A Boston Corporate Concentration Account is yours for the asking.

Sign the coupon or contact me direct.

Camille J. Paulus  
Manager  
"Bank of Boston S.A. is a subsidiary of The First National Bank of Boston, America's 18th largest bank with assets of \$18 billion"

Please send your booklet 'Corporate Concentration Accounts'.

Name \_\_\_\_\_  
Company \_\_\_\_\_ Position \_\_\_\_\_  
Business Address \_\_\_\_\_

To: CAMILLE J. PAULUS, MANAGER, BANK OF BOSTON S.A., 41 BOULEVARD ROYAL, LUXEMBOURG CITY, LUXEMBOURG. Tel. 27861 Telex 2660.

BANK OF BOSTON  
THE FIRST NATIONAL BANK OF BOSTON



## Go our way to the USA and on to the Far East

NORTHWEST ORIENT



The American winner

If any of our European offices:  
London 01-439 01771 Amsterdam 020-440415 Brussels 02-218 6262 Copenhagen 01-14 88 99 Dublin 0001-717766 Frankfurt 01-21 23 44  
Glasgow 041-225 4176 Hamburg 40-35 15 41 Manchester 061-498 2471 Oslo 2-11 20 10 Stockholm 8-14 38 80



Discover gold

Benson & Hedges  
Special Filter  
The world's finest taste in cigarettes



Created and perfected by the House of Benson & Hedges



# Herald Tribune

Published With The New York Times and The Washington Post

## War Powers at Issue

We are back to arguing not just about the wisdom of waging war but about who decides.

President Reagan has assailed a House committee for prohibiting aid to a rebel army operating inside Nicaragua. But only days before, the president solemnly told Congress that his only aim was to interdict the flow of weapons from Nicaragua to guerrillas in other countries. He explicitly denied any desire to violate laws or treaties or to promote the overthrow of Managua's Marxist regime.

Not quite, it now turns out. Speaking more spontaneously, the president said he opposed any legal expression of those restraints, for which the House Select Committee on Intelligence had just voted. He denounced it as an irresponsible, dangerous precedent, leaving the executive branch unable "to carry out its constitutional responsibilities."

But Congress indisputably shares those responsibilities. Unless it does, practically speaking, there is no sustaining any foreign war or intervention.

The authors of the Constitution gave Congress exclusive power to "declare" war, but they well understood the likely inclination to wage undeclared war as well. As a contemporary of the founders, Justice Chase, wrote in supporting a unanimous Supreme Court in 1800: "Congress may declare a general war, or Congress may wage a limited war; limited in place, in object, in time."

The reason for this power-sharing was brilliantly anticipated by James Madison: "The

management of foreign relations appears to be the most susceptible to abuse of all the trusts committed to a Government," he wrote, because it could be "concealed or disclosed, or disclosed in such parts and at such times as will best suit particular views."

Congress reaffirmed that doctrine when it overwhelmingly enacted a War Powers Resolution in 1973. It provides that the president cannot lawfully engage American forces for more than 90 days without express authorization by Congress. And special committees were established to authorize covert operations in which U.S. honor and sense were at risk. The current Congress has accepted that responsibility in approving aid to Afghan insurgents who are resisting Soviet invaders.

In grasping now for a unilateral executive war power, President Reagan ignores his own failure to make a convincing case for covert aid to any Nicaraguan émigré army. He has been ambiguous about his motives and on about the émigrés, piling confusion on confusion in his policy.

Neither Putin nor partnership explains why Americans see a difference between aiding "freedom fighters" in Afghanistan and rebel forces in Nicaragua. The reason is distrust of an ill-defined policy for Central America. If Nicaragua is waging a significant war against El Salvador and deserves retribution or invasion, let the case be made openly — for Congress to judge.

—THE NEW YORK TIMES.

## A Chance for Lebanon

What about Syria's rejection of the American-mediated agreement between Lebanon and Israel? It is no academic matter. Israeli withdrawal from Lebanon is conditioned on parallel Syrian withdrawal. Thus, a Syrian veto could condemn hapless Lebanon to continued foreign violation. It could lead on to an Israeli-Syrian war.

There seem to be two broad views of what the Syrians are up to. Fortunately, Secretary of State George Shultz is taking the second.

The first view is that for several considerations of intra-Arab rivalry, Syrian manipulation and Syrian intrigue, Damascus is determined not to quit Lebanon, even if that costs it the opportunity to negotiate on other vital Syrian interests (Golan and the Palestinian issue) and even if this course increases the risk of war with Israel. It would be embarrassing for President Hafez al-Assad to go back on his pledge to respect a Lebanese request to withdraw. (Such a request has not yet been formally made.) But the grid of pressures, both foreign- and self-generated, in which he is locked may keep him on his current course.

The second view holds that Syria has not so much vetoed the price that Lebanon is prepared to pay for Israeli withdrawal as it has demanded to be compensated analogously for

its own withdrawal. President Assad's nose is out of joint: He cannot bear that Israel should receive more in political and security advantage for invading Lebanon than Syria should receive for having been invited in and performed a thankless peacekeeping task for several years. Syria does not want a war with Israel, whose guns sit within range of Damascus; its current huffing and puffing is meant to convey that it would be entering negotiations from a position of strength.

There is no guarantee that negotiations will pay off. But why yield prematurely to a fatalistic reading that prevents the United States from making a try? At the end of the road, at best, lies a Lebanon with an Israeli-influenced sphere in the south and a Syrian-influenced sphere in the east. The Lebanese understand that this is a lot better than the condition they are enduring now. It would be naive of us to accept the presence of 50,000 Israeli occupation troops in order to refuse 50 Israeli observers as part of an international supervision committee," says Lebanese President Amin Gemayel, insisting that his country would not bow to "Arab blackmail."

Give Lebanon a chance, George Shultz said in London. That is the main point.

—THE WASHINGTON POST.

## Other Opinion

### Foreign Policy in Bonn

Does the foreign policy portion of the West German government's program represent continuity or change? The answer depends on the period one selects for comparison. If the early years of the Schmidt-Genscher coalition are considered, the continuity is almost complete. But if it is recalled that the latter days of that alliance produced a change, characterized by systematic undermining of confidence in the American alliance and continuous questioning of the NATO double-track policy, the new line can only be described as a change back again.

—Neue Zürcher Zeitung (Zurich).

### Trading With the Soviets

President Reagan is at present trying to strengthen his trade sanctions against the Soviet Union in ways which will be very unpopular at the Williamsburg summit of industrial countries at the end of this month.

The proposed extension of the Export Administration Act is ill-judged. In a report this week, the Congressional Office of Technology Assessment said that embargoes aimed at punishing the Soviet Union for its actions in Afghanistan and Poland had had no major impact on the Soviet economy and might have hurt the U.S. economy rather more. Embargoes on trade, the report said, caused little in the Western alliance, gave the United States the reputation of being an unreliable supplier, and damaged individual companies.

The distinction which [Mr. Reagan] and his predecessors have drawn between high technology and routine exports is no doubt valid in some cases; it would be foolish to contribute directly to Soviet military efficiency. But the distinction has been blurred by the White House itself. Grain was the weapon chosen to

chastise the invaders of Afghanistan, but the main sanctions were [American] farmers. Evidently last year's lesson — that Europe will continue to offer and honor contracts — has not been learned. It is a basic lesson because placid East-West relations can never be guaranteed for long periods, and there will always be new excuses to interfere with trade.

Beyond the mercantile sentiment, though, is the desirability of a stronger East bloc economy, for its own sake as a stabilizer of the peace and for the sake of the people who live there. Part of the rationale for Americans' defense spending is that they can afford it and the Russians can't. Europe, however, does not unanimously go along with that view.

—The Guardian (London).

### Whitewash in Argentina

In Argentina they called it the "dirty war" — a brutal campaign by the military rulers to crush leftist terrorism during the 1970s. The drive stamped out the terrorists, but it also brought death to thousands of people who were abducted and never seen again. Now the military junta has announced blandly that the disappearances were "acts of service" to protect the nation. The report appears to be little more than a whitewash.

It tries to justify the use of terror tactics to fight terrorists. It tries to paper over the excesses of seven years of military rule, as the country heads toward a promised presidential election in November. Worst of all, the report simply obliterates the memory of thousands of abducted Argentines and seeks to close the record on their disappearance.

Argentines deserved far better — and the families of the thousands who disappeared still deserve an explanation of their fate.

—The Providence (Rhode Island) Journal.

## FROM OUR MAY 12 PAGES, 75 AND 50 YEARS AGO

### 1908: Japanese Budget Deficit

TOKYO — The frequent conferences being held between the Elder Statesmen, Cabinet Ministers and the leading bankers mark the strenuous efforts that are being made to devise means to carry through the undertakings provided for in the recently adopted Budget. The analysis of the Budget shows a deficit necessitating a loan of 70,000,000 yen, and the prospects of further borrowing, whether foreign or domestic, are conceded to be gloomy. Baron Yoshio Sakatani, recently Japanese Minister of Finance, said that there was no question but that the Chinese boycott of Japanese products was a factor in the present financial depression in Japan.

### 1933: Mural Painter Dismissed

PARIS — Caution has characterized for the most part opinions of both American and French artists in Paris on the discharge of Diego Rivera, Mexican painter, for his refusal to suppress the head of Lenin in a mural which he had nearly finished for Rockefeller Center in New York. While the sentiments of almost every artist interviewed veered toward the Rockefeller interests on the basis of published reports, the question provoked opinions which left no doubt that the eternal controversy over the aesthetic right of an artist had come to the fore again. The dispute involves common sense rather than artistic standards, according to Gilbert White, American artist.

# Iran's Post-Khomeini Therapy Has Already Started

By Amir Taheri

PARIS — "The best way to ensure the future of Islam," suggested a leading preacher in Tehran recently, "is for Allah to grant our Beloved Leader a second life in this world." The "beloved leader" is of course Ayatollah Khomeini, the 84-year-old who presides over feuding factions in a country weary of revolution, war and repression.

Ayatollah Khomeini's health has been a matter of growing concern in Tehran for more than a year now. He has not been devoting more than one or two hours a day to the affairs of state. In addition, he withdraws from time to time into what he calls "moments of seclusion" for periods of up to three weeks.

This has led some observers to conclude that the post-Khomeini era has already begun. They see the undoubted shift in domestic and foreign policies during the last 12 months as a sure sign that the ayatollah is no longer in firm control.

The scrapping of a number of radical policies, notably a land reform program and a plan to nationalize foreign trade, shows a decisive break with early revolutionary promises. The recently enacted labor code is specifically designed to encourage private sector investment by removing the fear of revolutionary measures that would favor workers.

The government has announced that only 51 individuals, all big businessmen under the shah, are barred from economic activity. Thousands of companies taken over by the government or various revolutionary organizations are to be returned to their owners.

The campaign to appease private business is combined with growing militancy against the Soviet Union, especially in regard to Afghanistan. Quiet measures are being taken to improve relations with the West.

Of the four main factions currently involved in the power struggle only one, led by President Ali Khamenei and Prime Minister Mir Hossein Mousavi, is dedicated to pursuing the revolution by destroying the middle class, described as "America's fifth column," and adopting a militant anti-West foreign policy.

This faction, now rapidly losing ground, opposes the idea of a single successor for Ayatollah Khomeini as "Supreme Guide." It advocates separation of the religious and political duties of the "guide." The former would be as-

sumed by a committee of grand ayatollahs. The political duties would go to the president of the republic, who at present has no real power.

But the strongest group currently maneuvering to expand its power base is led by the speaker of the Islamic Assembly, Ayatollah Hashemi Rafsanjani, who is backed by the commander of the Revolutionary Guards, Mohammed Reza. Mohammed Gharazi, the oil minister, who also commands the Mujaheddin of Islam armed group, is a member of the group. Promoting Ayatollah Hossein Ali Mon-

azzari, a cleric in the holy city of Qom, as Ayatollah Khomeini's sole successor, the group argues that it is time to end the revolution and start reconstruction.

The Hozjatiah, a politico-religious group led by Ayatollah Ali Akbar Halabi, is also engaged in the power struggle. It opposes the idea of rule by the mullahs, holding that they should act only as "moral watchdogs" of society. It is widely believed to be behind the current crackdown on pro-Moscow Communists.

Enjoying strong links with the bazaar and the wealthier mullahs, the Hozjatiah coalition may in time extend to include other groups led by two former premiers, Mehdi Bazargan and Ayatollah Mohammed Reza Mahdavi-Kani. Such a coalition would almost certainly win approval from the grand ayatollahs of Qom, whose power is sure to increase after Ayatollah Khomeini's death. One of them, Grand Ayatollah Mohammed Reza Golpayegani, is believed to be involved in negotiations ostensibly aimed at "keeping the children of Iran together" in the post-Khomeini era.

Ayatollah Khomeini's failure to convene the Assembly of Experts elected last year for the specific task of choosing his successor shows that no single faction has won a majority. It is now possible that the assembly will never meet and that the eventual pattern of succession will emerge out of an increasingly bitter and potentially bloody power struggle.

The military remains a dark horse; it is probably still wary of political involvement. But the recent dismissal of Captain Bahram Afzali, the navy commander, after a quarrel with the mullahs, shows that tension between the military and the clergy persists.

International Herald Tribune.



By Steve Heston — The Washington Post.

## For Now, the Ayatollah's Spell Keeps the Middle East Tense

By Joseph Kraft

PARIS — The dissolution of the communist Tudeh Party in Iran has been reported, like all events in that country, as if it had no bearing on the Middle East in general. But there is a potent connection, readily visible to Iranian refugees in Paris.

The Iranian connection with the rest of the Middle East runs via the war with Iraq to Syria and Saudi Arabia. It figures importantly in the difficulties Secretary of State George Shultz has experienced promoting withdrawal from Lebanon and the Reagan plan for a settlement between Israel and the Palestinians.

The predominant political fact in Iran is the war against Iraq. Thousands of Iranians have been killed, but, despite early gains, the fighting seems stalemated. Various leaders just below Ayatollah Khomeini, including Prime Minister Mir Hossein Mousavi, have wanted to ease off the slaughter and make an eventual settlement. The Tudeh Party, in keeping with Russia's interest in Iraq, has favored that soft line.

Ayatollah Khomeini, however, regards prosecution of the war as a religious duty. He sees the Iraqi leader, Saddam Hussein, as a personal enemy and an agent of the "great Satan," the United States. He has resisted any peace talk. The dissolution of Tudeh represents, in internal Iranian politics, a victory for the war party. It means all-out fighting will continue.

For Saudi Arabia the continuing war presents multiple dangers. One is that the fighting could easily spill over into the kingdom. A second danger, because the Saudis have been the principal supporters of Iraq, is that Iran might launch a direct strike against Saudi Arabia.

Still more important is an ideological problem. While the Saudis are on their mettle against secular attacks from the left, they have never quite known how to handle the religious challenge that Ayatollah Khomeini presents in calling them "unfit guardians" of the holy places.

"We don't know what language he speaks," Information Minister Mohammed Abdo Yamani said of the ayatollah when I saw him in Riyadh a few weeks ago.

Crown Prince Abdullah has a strategy for dealing with the ayatollah and the threat posed by the war. It is to work through the Syrians, who have good relations with Iran because they are at odds with Iraq. The Abdullah approach, pursued on recent trips to Baghdad and Damascus, begins with mediating the tension between Iraq and Syria.

As a next step, Prince Abdullah wants the Syrians to help the Iranian moderates in limiting the war with Iraq. It would become, as he put it in a recent interview, merely a "border war." Then, when the ayatollah passed away, a settlement could be made and Saudi Arabia would be out of the danger zone.

Those efforts to help the peace party in Iran have drawn the Saudis

closer and closer to the Syrians. Now, with the ayatollah more than ever determined to keep up the war, the Saudis have to intensify their courting of Damascus. But, to the extent that the Saudis woo President Hafez al-Assad, they inevitably diminish their capacity to support American efforts for peace in the Middle East.

The Syrians are the principal hosts to the Soviet presence in the area. The Syrians have dug in against quick withdrawal from Lebanon. The Syrians back those elements in the Palestine Liberation Organization which most strongly oppose PLO participation in the Reagan peace plan. And the Syrians apply pressure — indirectly through the PLO and directly by military moves — on King Hussein of Jordan not to participate in the Reagan plan.

The Saudis, because of their primary interest in saving themselves from the Iran-Iraq war, have gone along with the Syrians every step of

Los Angeles Times Syndicate.

## The Gulag, Too, Has Survivors Who Remember

By Stephen F. Cohen

PRINCETON, New Jersey — Survivors of Nazi concentration camps now occupy a special place in Western political consciousness and popular culture. But survivors of Stalin's Gulag system of concentration camps, which created a virtual Soviet holocaust between 1929 and 1953, continue to live in almost total obscurity.

By drawing attention to the story of Gulag survivors, I do not wish to equate Nazism and Stalinism, which were different in important ways. Indeed, the Soviet government, which was both savior and culprit in this dark history. Whatever its other acts, the Soviet Union saved many European Jews from Nazism than any other country, first by providing sanctuary for hundreds of thousands of Jews fleeing eastward after the German invasion of Poland in 1939, then by destroying the Nazi war machine and liberating Eastern Europe's death camps, including Auschwitz.

Eight years later, after Stalin's death in 1953, the Soviet government slowly began to free its own concentration camp inmates. The process grew into a mass liberation of 7 million political prisoners or more after Khrushchev's denunciation of Stalin in February 1956. By summer, home-bound survivors, some still skeletal and wearing bits of prison garb, were a familiar sight across the country. They were survivors in the fullest sense. Unlike Nazi death camps, the Gulag's first purpose was forced labor; but working conditions, rations and other mistreatment were usually murderous, and the human result the same. By a conservative estimate, at least 12

million prisoners died in the Gulag between 1936 and 1953, 3 million in the infamous Arctic camps of Kolyma alone.

To its credit, the Soviet government helped millions of Gulag survivors return to society in the 1950s with at least modest kinds of medical care, living quarters, jobs and pensions. While the great majority slipped back into the anonymity of Soviet society, many acquired illustrious professional careers, and some even played important political roles in the Communist Party under Khrushchev.

But many Soviet returnees also had personal problems associated with survivors of the Nazi camps — family, career and health. Many were psychologically numbered or otherwise impaired. Some lived in constant anxiety, tormented by nightmares and everyday reminders of the Gulag. Some started new families, but refused to discuss the past with their children. Often their children developed character traits, not unlike children of survivors of the Nazi camps.

Characteristic moral and political questions also obsessed many Soviet survivors: Who had survived, who had not, and why? Who had been responsible for their suffering, and why had no one helped them?

These survivors, however, returned to their own society, where millions of other citizens had been direct accomplices of Stalin's terror or its circumstantial beneficiaries.

The poet Anna Akhmatova, whose own son was freed in 1956, remarked of those peo-

ple: "Now they are trembling for their names, positions, apartments, dachas. The whole calculation was that no one would return." She added, "Two Russians are eyeball to eyeball — those who were imprisoned and those who put them there."

Such conflicts became a potentially explosive aspect of Soviet politics during Khrushchev's de-Stalinization from 1956 to 1964. They surfaced repeatedly in formal charges by survivors against high-ranking "hangers-on" torturers and informers, in dramatic personal confrontations between victims and victimizers, and even in Khrushchev's speeches against his opponents in the leadership.

The "camp theme," as it became known, crept persistently into the officially censored press, along with Nuremberg-like questions of criminal responsibility and punishment.

The Soviet government briefly pursued these Nuremberg issues, but reluctantly, and not beyond the trial and execution of perhaps 25 of Stalin's top policemen and the dismissal of a few thousand officials in the mid-1950s. Too many people, including Soviet leaders, were implicated. Moreover, almost total silence was then imposed on these issues in the Soviet press by the official rehabilitation of the Stalin past, which began with Khrushchev's overthrow and continues today.

It was at that time, however, that some Soviet survivors began to insist more loudly, like Holocaust survivors, on the need for "memory" about Stalinist crimes. A remarkable

number of Gulag victims and their children became leading dissidents in the late 1960s, including Alexander Solzhenitsyn, Lev Kopelev, Roy and Zhores Medvedev, and Elena Bonner, Andrei Sakharov's wife.

Equally important, a powerful Gulag literature has since emerged in typescript and in books published abroad — memoirs, fiction and history written by survivors such as Evgenia Ginzburg, Varlam Shalamov and Solzhenitsyn. The similarities to Holocaust literature are unmistakable.

We have not heard the last of these voices from inside the Soviet Union. For nonconformist intellectuals, "memory," the name given to a regular underground journal, is "a duty to those who died, to those who survived that dark night, to those who will come after us."

Nor can official circles be deaf to such themes. Many survivors have died, but millions of Gulag victims and their children remain in Soviet society and even officialdom, a potential constituency for another wave of authorized revelations about the past.

One wonders how those people, with their ingrained Soviet habit of reading between the lines, reacted this February when a leading Soviet newspaper suddenly published a Chinese writer's "tragic" story about survivors of Mao's "cultural revolution." The editorial introduction was entitled: "So That It Does Not Happen Again."

The writer, professor of politics at Princeton University, contributes a monthly column on Soviet affairs to The Nation.

## No Ganging Up on Protectionism?

By Charles Maechling

WASHINGTON — President Reagan will play host to the political leaders of Europe, Canada and Japan at an economic summit meeting starting on May 27 in Williamsburg, Virginia. Since the international credit crisis cannot be addressed without the participation of the banking community, trade will be the only action item. The leaders can be expected to extol free trade and loudly denounce protectionism — but in principle only. Any attempt to tackle specifics could open a Pandora's box of recombinations.

Led by the United States, Western governments in the 1960s and '70s made exceptional progress in lowering trade barriers. The Dillon, Kennedy and Tokyo rounds of tariff negotiations sharply reduced duties for a wide range of industrial and consumer goods. Quotas on manufactured goods virtually disappeared.

The European Community of today, after the German Empire in the 19th century, is testimony to the way in which a free-trade system can lay the groundwork for political unity.

Since the onset of the global recession, however, the previous trend toward reduction of trade barriers has been reversed. If exports of oil and commodities and trade with the Soviet Union, Eastern Europe, China and the Third World are taken into account, probably 60 percent of "free" in the traditional sense. Barriers are rising, even between industrial countries — by exporting Italian shoes to Japan or Japanese video tape recorders to America. Caught between treaty commit-

ments pledging the reduction of trade barriers and rising protectionist pressures, import restrictions now assume various disguises. West Germany, genuinely committed to free trade, imposes rigid technical and quality control standards on high technology imports; the result may be beneficial to all concerned, but it is protectionist. France and Italy have raised bureaucratic delay and nitpicking on safety standards to an art form.

Japan combines exclusionist policies on a wide range of imports with the most effective tactic of all — an across-the-board "buy Japanese" mentality. The United States, in accordance with its legalistic bent, resorts to euphemisms such as "self-limitation" for coercing Japan to limit automobile exports, or retreats behind a barricade of statutes, regulations and legal technicalities.

Less visible than tariffs and import quotas, government intervention increasingly takes the form of subsidies, either direct or by targeting particular segments of industry for indirect forms of preferential support.

Agricultural subsidies have existed in the United States and Europe for so long that today only the degree, not the principle, is a matter of dispute. However, the same strategy selectively applied by Japan to certain high technology industries has created a uproar.

Americans fear how much American aircraft and electronics industries owe to military and space programs for research and development

contracts and plant financing. The Pentagon is about to fund a new race of giant computers.

President Reagan was right to emphasize free trade in his State of the Union message. Exports now account for one out of every five American jobs. By constructing options and limiting choice, protectionism in whatever guise is a direct threat to global recovery. But the forms of government intervention that distort the free market have become too pervasive and variegated to respond to the same old approaches.

It is time for world leaders to recognize that subsidies of every kind are merely the obverse of trade barriers, and that neither can be discussed in isolation. Internal economic and political pressures are common to all; only the forms that they take differ.

The first priority of the Williamsburg summit should be to broaden the dialogue to include all forms of government intervention in the marketplace, and to fight protectionism through mutual accommodation of different systems.

The writer is a senior associate with the Carnegie Endowment for International Peace. He contributed this comment to the Los Angeles Times.

Letters intended for publication should be addressed to the editor and contain the writer's signature, name and address. Brief letters receive priority, and letters may be abridged. We cannot acknowledge all letters, but we value the views of the readers who submit them.

## LETTERS TO THE EDITOR

### In the Middle East . . . and the Americas

Regarding "Soviet Behavior" (Letter, April 29) from James Price:

Mr. Price's remarks on the blunt political attitudes of the Reagan administration in Central America are unobjectionable. However, he misses the point when he sees the actual struggle of Central and South American societies as an evolution toward democratic governments comparable to those of Sweden, or even France. He also misses the point when he depicts the political spectrum of the world in terms of right and left.

In Argentina, a military junta which, even by conservative standards, could be branded as fascist, while killing off and "disappearing" so-called "leftists," simultaneously takes pro-Soviet positions and favors a state-controlled economy — a state-controlled economy under which the Argentines have known deprivation.

If the writer considers that the visible heads of the so-called "democratic" parties are known as the *caudillos*, he would begin to get a sharper picture of our contradictory situation. As to the Russians, they are no more interested in social changes. It is cheaper and quicker to control the minorities already in power.

RENEE VILLEGAS, Stockholm.

### Iran Isn't Arab

Statistical tables in your special report on agricultural development in the Arab world (IHT, April 9) list Iran among "selected Arab countries." Iran is not an Arab country.

A. BOROUMAND, Paris.

## INTERNATIONAL HERALD TRIBUNE

JOHN HAY WHITNEY, Chairman 1958-1982

KATHARINE GRAHAM, WILLIAM S. TALEY, ARTHUR OCHS SULZBERGER Co-Chairmen

LEE W. HUEBNER, Publisher

Executive Editor  
WALTER WILIS  
ROBERT K. MCCABE  
SAMUEL APT  
CARL GEWIRTZ

Associate Publisher  
ROLAND FINSON  
KENE BONDY  
FRANCIS DESMAISONS  
Director of Circulation  
STEPHAN W. CONAWAY  
Director of Advertising  
STEPHAN W. CONAWAY  
Director of Operations

International Herald Tribune, 181 Avenue Charles de Gaulle, 92200 Neuilly-sur-Seine, France. Telephone 747-1265. Telex 612718 (Herald), Cables Herald Paris.

Director of the publication: Walter N. Thayer.  
Gen. Mgr. Asia: Alan Lecrow. 24-34 Hengstey Rd. Hong Kong. Tel. 5-283618. Telex 61170.  
S.A. au capital de 1,200,000 F. RCS Nanterre 873202126. Commission Paritaire No. 34231.  
U.S. subscription: \$280 yearly. Second-class postage paid at Long Island City, N.Y. 11101.  
© 1983, International Herald Tribune. All rights reserved.



## China-Vietnam Battles Along Border Were Invented, Envoys Say

By Bob Secor

Los Angeles Times Service

LANG SON, Vietnam — The recent reports of fierce artillery duels and escalating tension along the Vietnamese border with China have been exaggerated and sometimes invented by propagandists on both sides, according to Vietnamese-based diplomats.

Officials of the two Communist nations reportedly have largely created a war on paper, feeding their belated allegations to foreign news agencies.

Several Western and Asian diplomats interviewed in Hanoi conceded that minor shelling incidents occurred in mid-April at about eight places along the border. But for the most part, they agreed, the frontier has been quite peaceful.

"There is very little intensity at all," said a military affairs specialist at a non-Communist Asian embassy in the Vietnamese capital.

"There are more words flying on paper than shells flying between the two sides."

There appeared to be little if any tension last week in Lang Son, a provincial capital six miles (9.6 kilometers) from the Chinese border and 100 miles northeast of Hanoi.

The city and much of the surrounding area were seized four years ago by Chinese forces when they occupied part of northern Vietnam for several weeks in retaliation for Vietnam's invasion of Cambodia.

Hospitals, homes and schools in the city still bear the scars of shells and fire.

But despite official talk about the Chinese menace only a few miles away, life in the city seems relaxed and almost carefree.

Farmers pedal their bicycles down rutted, muddy roads, some balancing huge loads of wood, chickens or other cargo on the rear tire guard as they make their way along the mountainous terrain.

The scene apparently was much the same on April 17, one day after Vietnamese officials said more than 1,000 Chinese artillery rounds were fired into Lang Son province.

Two Western diplomats drove into the provincial capital on April 17 and found militiamen relaxing and playing cards, several sources in Hanoi said.

The diplomats drove through town, picnicked "within shouting distance of the border," and remained in the area for six hours without hearing any explosions or seeing any damage, the sources said.

As in 1979, Cambodia appears to be at the heart of the controversy. China has long promised to

## U.S., China Sign Pacts On Research

Cooperation Planned In 4 Areas of Science

United Press International

BEIJING — China and the United States signed four agreements Wednesday for joint research in the fields of transportation, aerodynamics, nuclear physics and biomedical science.

The protocols, signed by George Keyworth, a presidential adviser on science, and Fang Yi, head of the State Scientific and Technological Commission, brought the list of science and technology cooperation agreements between the two countries to 21.

"I wish to express my thanks to all those Chinese and American scientists who have made contributions in the field of science and technology cooperation," said Prime Minister Zhao Ziyang before the signing ceremony in the Great Hall of the People.

"I hope the cooperation between our two countries in science and technology will see more progress," Mr. Zhao said, "and remove as soon as possible the existing obstacles."

The biggest complaint China made in the two-day session of the U.S.-China Joint Commission on Cooperation in Science and Technology related to American policy on the transfer of technology.

The United States imposes strict controls on the export of high technology goods, including nuclear power equipment, which could have military applications.

China feels that the restrictions are too harsh and limited the problem could further damage Chinese-American relations already strained by U.S. arms sales to Taiwan and the granting of political asylum to the Chinese tennis star Hu Na.

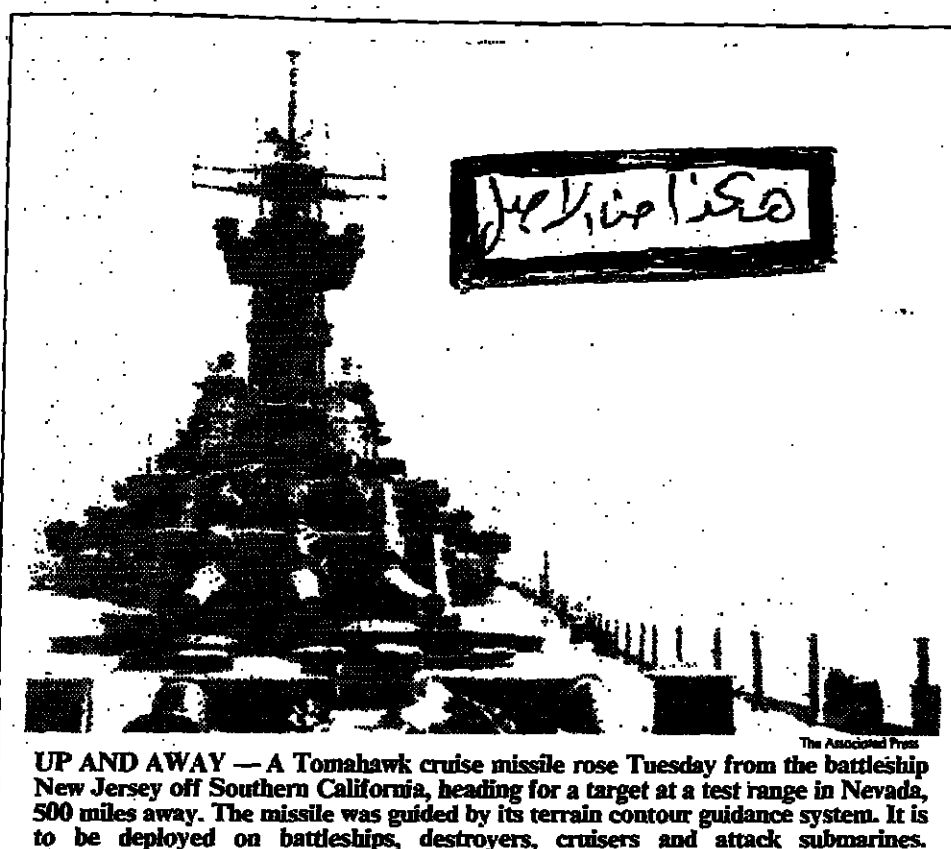
But Mr. Keyworth said at a news conference Tuesday that the program, "the most successful science and technology cooperation of any we have in the world," had not been affected by Beijing's cancellation of sports and cultural exchanges for the rest of this year in retaliation for Washington's decision to grant asylum to the tennis player.

Details of specific projects will be worked out at later meetings, officials said.

Fire at Café de la Paix

The Associated Press

PARIS — A blaze at the Café de la Paix, near the city's Opera, forced the evacuation of 300 diners Tuesday night. There were no injuries and investigators are looking into the cause of the fire, city officials said.



UP AND AWAY — A Tomahawk cruise missile rose Tuesday from the battleship New Jersey off Southern California, heading for a target at a test range in Nevada, 500 miles away. The missile was guided by its terrain contour guidance system. It is to be deployed on battleships, destroyers, cruisers and attack submarines.

## China Is Said Hong Kong Confronts To Ban Civil Smuggling of Children Air Travel

The Associated Press

BEIJING — China is so worried by the first successful international hijacking of a Chinese airliner that it has barred most citizens from flying, informed sources said.

An internal memorandum circulated this week announced that from now on only army commanders and government officials at the county level and above will be allowed to fly, the sources said.

According to official reports, three of the six hijackers who forced a British-built Trident jet to land in South Korea last week had been engaged in fraud and illegal business as they shuttled by air between Chinese provinces.

The Chinese authorities said that such crimes may be increasing because of new policies which allow companies to send representatives to other cities to buy and sell products.

They said that foreigners and overseas Chinese tourists, as well as the designated officials, may fly, but any exception to the new policy will require high-level clearance.

The Chinese news agency Xinhua said that the government still seeks the return from South Korea of all six hijackers, who are wanted for stealing firearms and ammunition and shooting two crewmen during the seizure of the plane.

## Former Labor Leaders Join Walesa in Protest Of Sanctioned Unions

By John Kifner

New York Times Service

WARSAW — Senior leaders of the dissolved unions that once had the approval of the Polish authorities have joined with Lech Walesa, the founder of Solidarity, in a call for a return to open, competitive unions.

The appeal, contained in a letter that was delivered to parliament earlier this week, appeared to mark a further narrowing of the government's support since the old government-sanctioned unions had not previously challenged the authorities.

Under legislation outlawing Solidarity adopted in August, existing unions were dissolved and plans were outlined for new, limited unions whose ability to strike would be sharply restricted.

The letter to parliament was highly critical of the new unions, saying:

"Union organizations that are now being built do not enjoy wide social support, and the current method of implementing this law indicates a desire to monopolize unions under the patronage of the state employer."

The letter was signed by Mr. Walesa and nine senior leaders who had represented the branch unions backed by the Communist Party, the somewhat more independent autonomous unions and the teachers' union.

Before the imposition of martial law in December 1981, Solidarity had claimed nine and a half million supporters, the branch unions three and a half million and the autonomous unions about one million.

The new unions are claiming to have achieved a membership of two million. Diplomats and other sources say this figure has been inflated by drawing on retired workers, management personnel and students in special trade schools, such as the coal mining academy. These segments of the work force, they note, are more vulnerable to pressure to join the unions.

The language of the letter was worked out at a meeting in Warsaw Friday night.

As the meeting broke up, the police took Mr. Walesa and nine of his colleagues, including two legal advisers, into custody. All have been released.

The letter warned that government action alone "cannot change social consciousness."

The letter said that after the rise of Solidarity in August 1980, "there developed a new and profound change in the views and atti-

tudes of the nation. A new quality has been born that those who govern must recognize and take into account."

"Disregarding the will of the society can benefit neither the government nor the society," the letter continued. "Re-establishment of union freedom is one of the indispensable elements of this greatly desired and genuine national agreement and will help to awaken activity necessary to pull Poland out of its crisis."

The letter called for the freeing of those imprisoned for union activity or because of their political convictions.

Pope Addresses Poles

Pope John Paul II urged his Polish countrymen Wednesday not to lose hope and to remain true to their Christian origins. Reuters reported from Vatican City.

Speaking during a general audience about five weeks before his visit to Poland, the pope reminded Poles that generations of their compatriots had found spiritual strength in Christ.

"I ask you never to lose faith, not to be discouraged, not to cut of your own accord the roots from which we originate," he said in Polish to an audience that included 120 persons from Krakow.

The pope recalled his words during his visit to Poland in June 1979. "Never separate yourselves from Him," he said. "Never lose the freedom of spirit with which He liberates man."

## Poland Defector Sentenced to Die

Reuters

WARSAW — The Supreme Military Court Wednesday sentenced a Polish diplomat to death in absentia on charges of betraying information to the French intelligence services.

The official press agency PAP said Henryk Bogulak, a diplomat who defected from the Polish Embassy in Paris in July 1982, was found guilty of treason and sentenced to death. His remaining property in Poland was ordered confiscated.

A military prosecutor also indicted on Wednesday a former Warsaw University academic, Zdzislaw Najder, on charges of working for U.S. intelligence services. Mr. Najder left Poland just before martial law was declared in December 1981 and now works for Radio Free Europe in Munich.

## Priests' Arrests Stir Debate in Philippines

By Dietrich Mummendey

International Herald Tribune

ORINGAO, Philippines — As he hiked up the mountain where he was to say Mass in a remote village one recent Sunday morning, the Reverend Brian Gore wore a T-shirt that showed Jesus Christ behind prison bars. The shirt reflects the sort of servant approach for which the busy Australian missionary has become known in the Philippines.

Father Gore, 39, was arrested last week and charged with complicity in the murder of Mayor Pablo Zola of Kabankalan, on the central island of Negros. The mayor had earlier been accused in the deaths of two Catholic lay leaders.

Arrested with Father Gore on the same charge were an Irish priest, Niall O'Brien, a Filipino priest, Vincente Dangon, and six Roman Catholic lay workers. They were allowed to remain under house arrest after Cardinal Jaime L. Sin of Manila intervened.

Father Gore and the others have rejected the charges as false, and they have the vocal support of Bishop Antonio Forch of Negros and many other Filipinos.

Negros is notorious for the bad working conditions on its sugar plantations, and the three accused priests have angered some landowners by stubbornly denouncing the abuses. Workers seldom earn more than 10 pesos (about \$1) a day. Labor conflicts are often resolved by military force. Union membership is frequently punished by dismissal, and legal protests can drag on in the courts for years.

Thousands of small farmers and

tenants have been driven off their land over the years to make way for more sugarfields. This has led to deep resentment against the plantation owners, or *hacienderos*, and this resentment has spurred the growth of the communist-oriented New People's Army.

At the NPA's taken hold, special security commissions have mounted what they refer to as "salvaging" campaigns. Roman Catholic activists say these campaigns typically involve arbitrary arrests, torture and summary executions.

In front of Father Gore's church in Oringao, a large wall-poster depicts poor farmers being slain by an anonymous gunman. Above this scene, arms reach up to raise a cross. Next to the cross are the letters "KK" for Kristang (Latin), which means "basic Christian community."

The concept of these grass-roots Christian communities was developed in Latin America. The aim, particularly in rural parishes, is to build tightly knit cells of "committed Christians."

The lay leaders of the Christian community carry on church work if there is no priest. But these communities also perform a political consciousness-raising function.

"We must train people to have a critical approach," Father Gore said, "teach them to be conscious of their human dignity and to know their rights under the law."

The inevitable result is a greater awareness of government inefficiencies, corruption, social injustices and abuse by the military.

This has led to accusations, both from the authorities and from con-

## U.S. Official In Satellite Case Resigns

Washington Post Service

WASHINGTON — The deputy secretary of commerce, Guy W. Fiske, resigned Tuesday in the midst of a congressional investigation of his dealings with the Communications Satellite Corp., or Comsat, which is seeking to buy the nation's land and weather satellites.

Mr. Fiske, whose resignation is effective Saturday, has been second in command at the Commerce Department since June 1982. He oversaw department debate on whether to sell the nation's land and weather satellites to a private company. Comsat has been lobbying with Mr. Fiske and others to see the sale go through.

Before Mr. Fiske became deputy secretary of commerce, the cabinet's Council on Commerce and Trade disapproved the sale of the satellites. But in November, the council reversed itself and recommended it.

Then the proposal came under increasing criticism. In hearings before a House Science and Technology subcommittee April 14, Commerce Secretary Malcolm Baldrige announced that Mr. Fiske had removed himself from any further role in the satellite decision.

Mr. Baldrige cited a possible "appearance of impropriety" noting that, in the time Mr. Fiske was overseeing debate on the Comsat proposal, he had met several times with Comsat officials about a job offer.

Some observers believe the Philippine authorities want to use the case, and other arrests of priests and nuns this year, as a warning to the Catholic Church to scale down its opposition to the regime of Ferdinand E. Marcos.

Several priests have openly supported the New People's Army. This has left the church hierarchy sharply divided. Many bishops and parish priests sympathize with the plight of the poor, but shy away from the approach of the Christian communities, considering it too radical.

But the church's conservative faction finds a counterbalance in men like Cardinal Sin and Bishop Forch, who are outspoken critics of what they see as widespread social injustice.

## Sheraton wins on style in North America.

NEW YORK	MONTREAL	BOSTON
<p><b>Sheraton-Russell Hotel</b></p> <p>This intimate Park Avenue hotel gives a taste of Old New York in a convenient location. Near the Pan Am Building, Empire State Building and Grand Central as well as shopping and theatre. RUSSELL's offers dining in the manner of a private club. For music—The Judge's Chambers is the place.</p>	<p><b>Le Centre Sheraton Montreal</b></p> <p>A spectacular new hotel right in the center of magnificent Montreal. Over eight hundred luxury guest rooms and suites. Including the Sheraton Towers—a separate, exclusive, small hotel-within-a-hotel on the top five floors. Splendid rooftop restaurant. Complete indoor pool health club complex. Live entertainment at L'Entree. plus two elegant lobby bars.</p>	<p><b>Sheraton-Boston Hotel</b></p> <p>Conveniently located at the Prudential Center in the heart of the Back Bay district. Near shopping, theatres and Symphony Hall. Computerized check-in/out. Indoor pool. Easy access to turnpike, airport and Amtrak. For those who prefer the intimacy of a small hotel, the luxurious Sheraton Towers is located atop the Sheraton-Boston.</p>

To make a confirmed reservation, call Sheraton's on-line computer reservations system—Reservation III—at the number nearest you:

Vienna, Austria	022/54-21-32	Amsterdam, Netherlands	020/43-48-74	Geneva, Switzerland	022/210093
Brussels, Belgium	02/210-45-86	Oslo, Norway	02/41-89-85	Zurich, Switzerland	01/302-0828
London, England	01/636-6411	Barcelona, Spain	03/317-50-68	Düsseldorf, West Germany	0211/498921
Paris, France	01/79-2800	Madrid, Spain	01/401-20-04	Frankfurt, West Germany	0611/295306
Milan, Italy	2/654051	Stockholm, Sweden	08/22-94-55	Munich, West Germany	089/185063

Or call your nearest Sheraton Hotel, Reservations Office or your Travel Agent.

**Sheraton Hotels Worldwide**



## Pan Am. More of the USA from more of Europe.

New services from Brussels, Milan, Stuttgart, Dubrovnik and Zagreb to over 40 U.S. cities. Call your Travel Agent or your nearest Pan Am office.

**Pan Am. You Can't Beat the Experience.**



\*From June 1st.



## SCIENCE

## Diarrhea: Testing a New Treatment

By William K. Stevens  
New York Times Service

DHAKA, Bangladesh — The man staggered as he walked in and would have collapsed on the floor had a friend not been holding him. Soon he was stretched out on a cot in a long, spotless, wardlike room that held perhaps 125 similarly stricken people, more than

half children who appeared to be less than 5 years old.

Pale and sunken-eyed, some of the children whimpered or cried as their mothers, wrapped in gaily colored Bengali saris, ministered to them, but most were silent.

No cyclone or war was responsible. All were victims of a medical disaster of gigantic proportions and lethal powers. It is not the pla-

gue, malaria or yellow fever. It is simple, miserable, inelegant diarrhea, the most widespread and pervasive health problem in underdeveloped nations, and the biggest killer of children on the earth.

In Asia, Africa and Latin America, it is an inescapable fact of existence, and for those under 5 a real threat to life.

Four million to 5 million children die each year from the dehydration caused by severe diarrhea. Various studies indicate there are 1 billion to 2 billion cases of the malady annually. Almost every child in the Third World will have the disease more than once in his or her lifetime. With some common diarrheal diseases, a child or even an adult can die in a day, so severe and rapid is the dehydration.

Yet, experts in the field of diarrheal diseases say that knowledge about such diseases has been limited, and that prevention and treatment programs have been haphazard at best and nonexistent at worst. Now advances in both understanding and controlling the diseases are being made, many of them here at the world's only internationally sponsored center for the study and treatment of diarrhea.

"Ten years ago, we knew about 20 percent of the causes of diarrheal disease," said Dr. K.M. Sultanul Aziz, associate director of the International Center for Diarrheal Disease Research, Bangladesh. "But, we have proceeded rap-

idly. Today we know the cause of 80 to 90 percent."

Until 1978, the center was a cholera laboratory operated by the Bangladesh government. Now, supported and governed by 19 countries and agencies and staffed by professionals from 14 nations, it has become recognized as the world's primary institution for research, collection of information and development of treatment methods for diarrheal diseases.

Among other things, investigators and physicians at the center have discovered that cholera and amoebic dysentery, perhaps the two best-known and traditionally most-feared forms of diarrheal disease, are not the most lethal among this group of ailments. They have also found, contrary to conventional wisdom, that diarrheal patients absorb food almost normally and should therefore eat normally. They are trying to clarify the extent to which the body develops immunity to some of the diseases.

Perhaps most important, they are propagating a simplified and effective oral method of treatment that can be used by families in the poorest and most illiterate villages, using easily obtainable materials and ingredients.

What might be called the Dhaka doctrine holds that medication is unnecessary in most cases of severe diarrhea. The best thing to do, say the Dhaka doctors, is to let the body purge itself naturally, while at the same time replacing the fluids, nutrients and minerals lost through dehydration. They have devised a simple method for doing this orally, using a mixture of water, salt, sodium bicarbonate, potassium chloride and sugar.

Where some of the ingredients are unavailable, as is likely to be the case in rural areas, they have found that an even simpler solution of a three-finger pinch of salt and a fistful of sugar to a half-liter of water works very well. Where sugar is not available, researchers have found pulverized rice or wheat, the staples of most Third World diets, will suffice.

About 400 to 500 patients a day are treated at the center's new hospital here, and more drink the cure at an older center at the town of Matlab, south of here.

## Saturn Thunderstorms?

WASHINGTON — Three NASA scientists believe Saturn has thunderstorm systems stretching 40,000 miles (64,000 kilometers) around the planet's equator. M.L. Kaiser, J.E.P. Courtney and M.D. Desch of the Goddard Space Flight Center analyzed natural radio signals that sounded like static on a car radio during a thunderstorm.



## Not Everybody Loves 'Lucy'

By Sandra Blakeslee  
New York Times Service

BERKELEY, California — The debate over whether the primate Lucy actually stood up on two feet 3 million years ago and walked — thus becoming one of mankind's most important ancestors — has evolved into two interpretive viewpoints, three family trees, spats over four scientific techniques and too many personalities to count.

Paleontologists who hold opposing points of view, by their own admission, often feel so strongly about their own theories that they tend to go their separate ways. They will often ignore divergent papers and may not even answer each others' letters.

Recently, though, there was an unusual head-on confrontation over the anthropologically hot issue of the celebrated Lucy at a meeting sponsored by the Institute of Human Origins here.

Man's ability to walk on two legs, known as bipedality, is now generally accepted as the hallmark of humanness, the key trait separating ancestral man and ape. It preceded by 2 million years larger brain size and tool-making associated with an adaptation to savannas. Thus, study in fossil hominids may provide scientists with clues to the nature of ancient social behavior and rates of genetic adaptation.

Competing theories on bipedality are essentially based on different interpretations of Lucy's abilities. Lucy, whose skeleton was discovered in Ethiopia by Dr. Donald C. Johanson nine years ago, is the oldest known hominid. All manlike creatures, whether ancestral to modern man or not, are called hominids. "True man," identified by the genus name homo, is considered but one branch of the hominid family tree.

Lucy was 4 feet tall, weighed less than 60 pounds and had a chimpanzee-like head and humanlike posture. Dr. Johanson, who is the director of the Institute of Human Origins, is identified with one major school of interpretation.

At the recent conference here, Lucy's tiny bones were laid out carefully in a foam-padded display case. In nearby buckets were remains of her kinfolk along with loose human, chimpanzee and monkey bones.

The task of the dozen anthropologists present was to analyze Lucy's skeleton, looking for similarities and dissimilarities with present-day apes and humans. They rummaged through the buckets for the right bone, from time to time waving one in the air, punctuating a point, attempting to reconstruct Lucy's gait, posture and, if possible, behavior.

Lucy, in a sense, is a snapshot out of the past, and reconstructing her behavior is somewhat like trying to describe the building complex in which a photograph was taken now that only the wall behind it remains.

Two pictures have emerged. One, advanced by Dr. Johanson and Dr. Owen Lovejoy of Kent State University, shows Lucy as a "full-blown" biped. Explain to Lucy what a hamburger is, Dr. Lovejoy said, and she would have been eating it. "You ate the nearest McDonald's nine times out of 10."

The other picture, described by Dr. Randall Susman and Dr. Jack Stern of the State University of New York at Stony Brook, depicts Lucy as a dedicated tree dweller. Her gait, they said, was awkward, halfway between that of a chimpanzee and man.

The two camps did agree on a few points. Lucy, when she walked, did so on two legs. She was never a quadrupedal knuckle-walker. She had huge muscles.

They did not agree, however, on which scientific techniques to stress in studying Lucy nor how to interpret the results.

For instance, challenges to Lucy's age were made on the basis of new analyses of volcanic strata. But some felt the younger age — 2.9 million years — was not supported by the presence of well-dated "megafauna" (fossilized pigs and rhinos) found near other Lucy-like creatures.

Techniques used to study modern apes — cineradiography and electromyography, which examine movement and muscle — were applied to Lucy's skeleton. Some objected to using these techniques, contending that present-day apes were millions of years further along the evolutionary ladder and are thus not relevant to Lucy.

Disagreement chiefly centered on interpretations of comparative primate anatomy, especially in connection with Lucy's hands, feet, shoulder, hip and pelvis.

"To understand locomotor behavior in fossils, we must use living animals," said Dr. Susman, an anatomist who does field work with pygmy chimpanzees.

Certain bones in Lucy's hand, for example the platform and trapezoid, are "primitive in a primate direction," Dr. Susman said, meaning that they are slender and curved like the finger bones of an ape.

Lucy's shoulder socket faces upward by about 15 degrees, indicating utility in negotiating trees.

Her pelvis, while more human than apes, has — viewed from a certain angle — an iliac blade oriented like that of a chimpanzee.

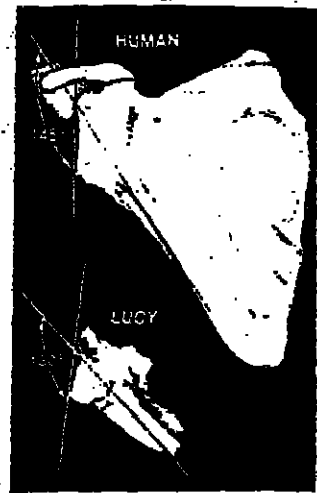
The hip socket is not as rounded as a human's and there is evidence that the thigh may have been bent, relative to the pelvis, in walking.

Finally, according to Dr. Susman and Dr. Stern, Lucy's foot, while similar to that of a human, shows a retention of grasping tendencies. Again, the digits are long and curved, apelike. The middle part of the foot is more humanlike than the forefoot and toes. The foot is 40 percent oversized, compared to that of modern man.

Everything about Lucy, from her fingerprints to her toes, suggests that "our ancestors, after they diverged from apes, inhabited the trees 3 to 4 million years ago," said Dr. Stern, who is also an anatomist.

In fact, it may have been tree life that predisposed early hominids toward bipedality. Vertical movement through the branches, in this view, could have led to neurological changes that made it natural to use muscles in a bipedal manner once on the ground. Hominids presumably retained this form of locomotion while, for unknown reasons, the ape family chose knuckle-walking.

According to Dr. Susman and Dr. Stern, Lucy, with her light weight and fanglessness, could not have survived on the ground. They described Lucy as a transition between early ape and early human. Her family tree led directly to Homo erectus, who, 1.5 million years ago, had a substantially larger



Lucy's shoulder socket faces 15 degrees upward, compared with present-day humans, which would be helpful in negotiating trees.

er body, with a brain and tool making ability, enabling it to survive on the ground.

Not so, says the opposing school, which insists that Lucy lived on the ground, not in the trees. The same bones that were used to show that Lucy lived in the trees are offered as proof to show that she lived on the ground. To understand locomotor behavior "we must let the fossils speak for themselves," Dr. Lovejoy said.

The fingers are, by proportion, short and straight, more human than apes, he asserted. The hand is smaller than an ape's.

The clavicle, ribs and shoulder are not apelike, he said, while the hip and pelvis are "in excruciating detail" humanoid.

"We don't see anything in the foot that indicates a climbing animal," said Bruce Latimer, one of Dr. Lovejoy's doctoral students, who is writing his thesis on Lucy's foot. "If you climbed all the time, would you sacrifice your divergent big toe?"

Lucy's toes are shorter than those of any hominid but man, Mr. Latimer said. The medial cuneiform, which connects the big toe to the foot, is round in all primates, save humans and Lucy, where it is flat.

Lucy was not human but she was completely bipedal, Dr. Lovejoy maintained. She may have occasionally visited trees, he said, but her apelike traits are no more than "evolutionary excess baggage."

In other words, Lucy could not have evolved such drastic skeletal changes without long practicing bipedality.

Thus, Dr. Lovejoy's family tree places bipedality — and the origins of hominidity — further back in time than that of Dr. Stern and Dr. Susman. He also maintained, with Dr. Johanson, that Lucy was ancestor to two later creatures, Homo, the only surviving hominid, and Australopithecus, now extinct.

Lucy the biped would have had no trouble surviving on the ground, Dr. Lovejoy said, asserting that "predation is highly overrated."

He further suggested that bipedality evolved in tandem with a socio-reproductive complex of behaviors, including monogamy. In other words, Lucy's kin walked on two legs to set up new family patterns on the ground. He proposed that this paved the way 2 million years later for genetic adaptations favoring larger brains.

A third family tree was later presented by other participants at the conference, postulating the existence of yet another hominid, closer to modern man, that lived at the same time as Lucy. Evidence for it lies in a set of hominid fossilized footprints found in Tanzania in 1976 by Mary Leakey.

Leakey and her son, Richard, led a rival paleoanthropological faction, which holds that Lucy is representative of a line of Australopithecines that later died out. They did not attend the conference.

Yves Coppens of the Musée de l'Homme in Paris, was on the program but failed to show. Several people said one of his colleagues had been strongly criticized by the Beckley-Johanson group.

The conference agreed they needed more bones to sort out their arguments, particularly fossils going back 5 million or 6 million years.

If Dr. Lovejoy is correct, the more ancient creatures would be a missing link, anatomically between ape and hominid. Dr. Susman and Dr. Stern would expect to find the proto-stock from which apes and humans later descended.

The long and short of it is, according to a participant, that bipedality lies in the eye of the beholder. Or, perhaps, the hominid is connected to the tree while the footbone is connected to the ground.

## Shrinks for Pets Gain in Britain

United Press International

LONDON — Britons turn increasingly to animal psychologists to straighten out their eccentric pets, although the owners themselves may be more in need of treatment. Newspapers flourish with advertisements claiming cures for claustrophobic cats, demented dogs and bird-brained budgerigars.

"Behavior is a plastic mold which can be modified," said Dr. Robert Mugford, who runs a clinic in Chertsey, Surrey. He said he has dealt with about 1,200 cases of psychoses in dogs, cats, birds and horses in four years.

Another Surrey animal psychologist, Ann Brewer, said: "It is often the owner and not the dog that needs the training."

## LONDON

## Sheraton Style



Only fifteen miles from London, the Skyline Sheraton at Heathrow Airport is the perfect place to mix business and pleasure. Relax with your guests by our lagoon-shaped heated pool situated in our exotic landscaped garden. Or enjoy an evening at Diamond Lite's, our western-style saloon. We also offer free transportation into London and conference rooms for your business needs.

For reservations and information call  
6-079-2800 in Paris 0611-295306 in Frankfurt

01-636-6411 in London 185063 in Munich

Or call your local Sheraton Hotel or Reservation office, or your travel agent.

## Skyline Sheraton

A4 Bath Road, Hayes, Middlesex, UB3 8BP Hwy M4 Exit 4  
Tel.: 01759-2535 Telex: 934254

## Go for GENEVA

Shopping, excursions, arts and culture

## in the heart of Europe

Direct connections by road, rail and air

Geneva, so easy to reach!

GENEVA TOURIST OFFICE  
Tel: 022 41 22 22  
SWISS NATIONAL TOURIST OFFICE  
Tel: 022 41 22 22

## To create a really top business class we started at the bottom.



Announcing the arrival of Thai's new Royal Executive Class. Designed to improve Business Class, we started out where a passenger spends most of his journey.

On his seat. The result, on our 747 Jumbos, is a First Class seat in every sense of the word. Bigger. Wider. More comfortable.

Not surprisingly, we needed more room to put them. So we created two spacious areas. One located upstairs where the First Class lounge used to be. The other downstairs with only twenty four seats instead of thirty five.

This means the aisle is not only wider, but there's considerably more space between your seat and the one in front.

Catching forty winks is also easier because the new seat reclines a full twenty inches. Enough on seating. On to eating. Part of any great service is serving great food. In Royal Executive Class we go one better and give you a choice of menus.

So now, you can choose between the Chicken Legs and the Beef Stroganoff. Served on elegant china with fine cutlery and table linen.

Other niceties in the air include a selection of excellent wines and liqueurs, cheeseboards and baskets of tropical fruit, electronic headsets for your ears and comfort socks for your feet.

On the ground we offer speedy check-in at special Royal Executive

Class counters plus lounge facilities at most airports.

What's more, all this can be enjoyed for just the full economy fare, or a little more on certain intercontinental routes.

Royal Executive Class is also available on our DC10 flights to the Middle East and our A300 routes throughout the Orient.

So even if you change planes, you start and finish your journey in style.

For the ultimate in Business Class, fly Thai's Royal Executive Class. We think you'll appreciate it from top to bottom.

## Rhyming to Read Faster

OXFORD, England — If you want your children to read better, teach them to rhyme. Psychologists Lynette Bradley and Peter Bryant of Oxford University report that preschoolers who are good at categorizing words by the way they sound should learn reading faster in school.

The psychologists got their results from testing more than 400 children for their ability to recognize similar sounds in words such as hen and pen or bus and bun. They then followed the children's reading progress through three years of school. The researchers also put children with poor sound recognition into training groups. One group was trained to put words that sounded alike into the same category. Another was trained to put words together on the basis of meaning. Those children taught to match words by meaning fared worse on reading tests.

## Running Away With Fitness

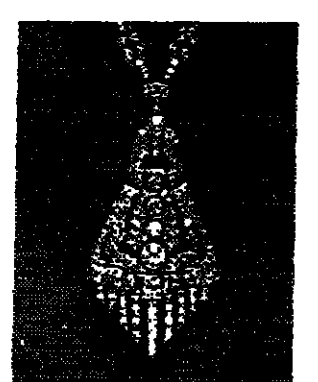
TUCSON, Arizona — The marathon champion Alberto Salazar once ran more than 100 miles in a week while suffering from a fractured foot. In one marathon, he ran so hard that his body temperature rose to 108 degrees and he was administered last rites.

Such drive to excel is usually held up as an example of athletic dedication. Now a team of researchers from the University of Arizona says that in some cases this obsessive behavior is a result of a mental disorder, usually found in men, similar to that which causes anorexia nervosa in women.

According to a psychiatrist, Alayne Yates, just as an anorexic woman may starve herself — sometimes to death — in a compulsive effort to attain a distorted sense of beauty, "obligatory" runners devote their lives to running after an elusive idea of fitness. They become obsessed with how far they run, what they eat, and what type of equipment they use and ignore illnesses or injury. When unable to run, they become depressed and anxious about their training. Both anorexics and obligatory runners, she says, lead ascetic lives that assiduously avoid pleasure. Both are concerned about their weight, uncomfortable with anger, and likely to be high achievers from affluent families.

©1983 A.A.P., excerpted from Science 83 magazine.

## AUCTION



May 16, from 6 p.m. with Jewellery, silver, pocket watches, objects of vertu, ceramics and glass.  
Exhibition: May 6-16, daily from 9 a.m.-7 p.m., Saturdays, Sundays and Ascension Day, May 12, from 11 a.m.-6 p.m., on the auction day from 9-12 a.m.  
Well illustrated catalogue Sfr. 15.-

## Bukowskis

BUKOWSKIS ZURICH AG  
Forchstrasse 239 • CH-8029 Zurich/Switzerland  
telephone 01/55 22 70 • telex 815017

**UNIVERSITY DEGREE**  
For Life, Academic & Work Experience  
You may qualify for BACHELOR'S, MASTER'S OR DOCTORATE  
Send detailed resume for a free evaluation.  
**PACIFIC WESTERN UNIVERSITY**  
18200 Virginia Blvd. (4th) Edmonds, CALIF. 94829 U.S.A.



es 'Lucy'



1 new's shoulder...  
pared with...  
mains, which...  
helped in negotiating

THURSDAY, MAY 12, 1983

## WALL STREET WATCH

By EDWARD ROHRBACH

### What's Good for General Motors May Good News for Investors

Remember when men were men and cars were cars — with sweeping tail fins and lots of shiny chrome? Back then General Motors Chairman Charles "Engine Charlie" Wilson was said to have told Congressmen: "What's good for General Motors is good for the country."

GM is still a bellwether of the U.S. economy. What's more, its stock is a bellwether of Wall Street.

Dean Witter's Robert Stovall has traced the correlation back to the 1920s and discovered an 80-percent accuracy rate in predicting where stocks are headed.

By selling April 25 at 65 1/2 (a higher high than the Jan. 11, 1983, high of 65 1/2), GM's common stock signaled another four-month extension of the "All Clear" or "Buy" signal, which has been in force since March 19, 1982, when GM was \$39 a share and the Dow Jones industrial average at 805.65.

According to Mr. Stovall's theory, each subsequent higher high for GM extends the "All Clear" period four months into the future from the date set. Because the stock drove ahead to 71 1/2 a week ago, the indication is that Wall Street will enjoy happy motoring now at least into September.

The rationale for the General Motors bellwether lies in "GM being the world's largest industrial concern, with an army of shareholders, a technocrat management, a cyclical product line, and a dividend policy that fluctuates according to the intermediate outlook," Mr. Stovall explained, noting that similar studies on IBM and AT&T stock prices over the years show they have been much less accurate forecasters of Wall Street.

"GM shares frequently do well before the general market turns up and, likewise, foreshadow sinking spells for overall equity valuation."

"However, the bellwether is only one technical indicator," he added. "If life were that simple, we'd all be rich."

While GM's stock may not see any potboilers immediately ahead, Dean Witter's investment policy committee, of which Mr. Stovall is a member, remains cautious about the market.

What is missing in the current "joyous picture" Wall Street is painting, wrote Lee Iedeman in the firm's latest "Investment Comment," is the "continued absence of upside earnings surprises."

All bull markets start with improved psychology [i.e. higher multiples] but must eventually be nourished and sustained by pleasing profit figures, which enable investors to keep raising their sights," he said. "In fact, what usually happens is that investors get carried away with extrapolating superior earnings growth to the extent that expectations far exceed reality, and the bubble finally bursts."

Mr. Iedeman called attention to the fact that since the market took off last August, Dean Witter analysts have seen fit to increase their earnings forecasts for individual companies a total of 515 times, while having to reduce their projections on 1,441 occasions. Despite this nearly three-to-one ratio of disappointments, he noted, price/earnings multiples today are nearly double last August's levels.

### To Correct or Not to Correct

Where is the correction Wall Street's top gurus have been predicting? Listen to E.F. Hutton's Newton Zinder:

"Where many of my peers and I have been wrong is in underestimating the amount of money, from IRA accounts and other sources, that has been looking for a home."

He noted that mutual funds' buying of stocks set a record in March, yet these funds still had more money at the end of the month to invest than was available at the beginning.

"Heavy speculation is the market's big problem right now," he asserted. "Secondary stocks and speculative issues are where the leadership is being concentrated."

This suggests, he said, greater public (as opposed to institutional) participation, as do Hutton's colleagues showing clients how to "sell."

"Everybody seems to be looking for the next Chrysler, buying stocks with questionable fundamentals, or just because they haven't moved," he warned that market tops are often signaled by such activity, though "it doesn't mean the Dow can't go up another 20 or 30 points — it means we're in a high risk area. But I also said that 100 points lower on the Dow, I must admit."

Asked his advice to small investors, he replied: "Go for less volatile stocks and resist trying to make a quick killing. Someone's going to be the last buyer, and you don't want to be you."

Alan Shaw, Smith Barney's chief market technician, shares Mr. Zinder's next-term worry, while also emphasizing "we are in a secular bull market for most stocks."

Mr. Shaw warned that the market might be near a "consolidation phase," or a 75- to 100-point pullback on the Dow. "Using one technical measurement, the 1,250 zone can be identified as an objective for the DJIA's current run."

But he added that any consolidation or correction (upward of 100 points) would probably not be "homogeneous," with stronger groups — airlines, banks, cosmetics, drugs, foods, household products, office and business equipment, retail food chains and soaps — "treating water," or even moving higher against others.

Martin Zweig, whose Zweig Forecast has kept subscribers heavily invested in the bull market right along, advises: "In sum, stay with the strong tape action and the bullish Fed."

International Herald Tribune

## EC Backs France's Loan Bid

PARIS — The European Community's Monetary Committee has approved a request by the French government for a multi-billion franc loan, French Treasury sources said Wednesday.

They declined to give any other details.

But French government spokesman Max Gallo said earlier Wednesday the request was for 30 billion francs (\$4.1 billion).

Mr. Gallo said Finance Minister Jacques Delors had waited until now to request the loan to allow time for government austerity measures to be approved by the National Assembly.

Mr. Delors also wanted to assess how far France's foreign currency reserves would be rebuilt as funds returned to France following the March 21 realignment of the European Monetary System.

Financial sources said France has reaped almost as much in currency reserves as it lost in defending the franc before the latest devaluation.

Mr. Gallo said the community also was to make 3 billion European currency units (E.U.) available for investment in industry and job creation. France, as well as other community members, would be able to draw on this facility, he said.

The EC Monetary Committee comprises top level officials from finance ministries and central banks of the 10 member states.

The committee's approval is expected to be endorsed by community finance ministers at their next meeting on Monday.

Request Anticipated

Earlier, Paul Lewis of The New York Times reported from Paris:

At the time of the last devaluation, Mr. Delors said France would probably apply for a new community loan, but he did not say when or how much it would seek to borrow.

The money would come from the EC's so-called Oil Facility, a pool of up to \$6 billion the 10-nation community agreed to lend to members in balance of payments trouble after the 1974 oil price shock.

The funds would be borrowed on international markets by the EC governments on their collective security and then lent to France.

In return for leading France money, the EC will demand that it introduce economic reforms designed to strengthen its balance of payments. But the French are expected to argue that last month's austerity package meets this requirement.

France is seeking new aid just when doubts are growing in banking circles about the effectiveness of the April austerity package. The franc remains weak against the dollar and recently has fallen sharply against the Deutschmark, a move which it is under the EMS.

When the April austerity package was drawn up, the French Finance Ministry assumed the dollar would be worth 7.05 francs on average during the rest of the year. But if it remains around 7.35 as it is now, the Finance Ministry expects most of the anticipated improvement on the trade account to be lost. As a result, France will not achieve its target of halving its current account deficit this year and eliminating it in two years.



## Stock Exchange Specialists Face Increasing Pressure for Change

By Yla Eason

NEW YORK — There used to be a time when the need for the stock market specialist was unquestioned. As recently as the mid-1970s specialists at the New York and American exchanges were the focus of stock trading on the exchange floors.

Today, the specialists still hold forth at trading booths on the exchange floors, where they buy and sell stock for customers. But the ability to duplicate their functions electronically has brought increasing pressure to reduce or revise the specialist's role in stock trading.

"Why walk over to one booth when you can sit at an exchange and buy by computer?" said William McGowan, president of MCI Communications. "Why run around with slips of paper? MCI's stock was the most actively traded last year and is bought through the over-the-counter electronic system."

All trading can be done electronically, asserted Kenneth A. Eber, vice president for marketing at Electronic Trading Services, a division of Control Data that owns the Cincinnati Stock Exchange. All stock trading on that exchange is done by brokers using computer terminals.

By contrast, all stocks traded on the New York and American exchanges are executed manually, although about 30 percent of the orders are received through computers. The exchanges "don't want to automate," Mr. Eber said. "You will always need a specialist but they don't have to be on the floor."

The level of debate over the specialist's role often becomes more heated when trading in stocks is halted or delayed. Recently, for example, specialists have been criticized for their part in the long delays in trading of Waste Management Inc., Warner Communica-

tions and Johnson & Johnson, companies that were subject to adverse news developments that precipitated a flood of sell orders.

The specialists, however, staunchly defend their contributions.

"For you to be able to trade you really don't need a guy like me," said Joseph Kaufman, a specialist at the American Stock Exchange. "But the times when nobody wants to buy or sell, I'm needed. We only intercede during an imbalance."

"We find the specialist is critical to the process of maintaining an orderly market," said Leland B. Patton, executive vice president of Prudential-Bache Securities. "Where a specialist can be critical is in telling us about someone who was in the crowd as a big buyer or seller. The information gathering part is very important."

Brokers meet to buy and sell a particular stock in front of the booth of the specialist who makes a market in that stock. Although the specialist does not participate in the majority of trades, he observes the auction-type bargaining and thereby knows what interest there is in the stock.

"The auction characteristics are the strength of this market," said Donald Stone, vice chairman of the New York Stock Exchange and senior partner of Lasker, Stone & Stern. "We are moving forward with a great number of electronic enhancements so we can be responsive to our customer needs. The fact is this market works."

A specialist makes a market in a stock by being a buyer and seller when there are no other order takers in the market. To become a specialist a person must first own, lease or have the right to a seat on the exchange. Membership at the Big Board costs over

(Continued on Page 9, Col. 3)

## N.Y. Stock Prices Decline Sharply On Deficit Fears

Compiled by Our Staff From Dispatches

NEW YORK — Prices on the New York Stock Exchange closed broadly lower Wednesday as investors, worried about future budget deficits, cashed in on profits from Wall Street's nine-month rally.

The Dow Jones industrial average gained slightly in the first hour but moved steadily down the rest of the day, closing off 9.94 points at 1,219.72. Declining issues totaled about 1,000, compared with 600 advances. Volume narrowed to 99.8 million shares from the 104 million traded Tuesday.

"The market got nervous," said Michael Metz of Oppenheimer & Co. "Investors saw early warning signs that prices had hit a peak and decided to lock in some of their profits."

Mr. Metz said he doubted Wednesday's action marks the beginning of a major correction. There is simply too much money on the sidelines waiting for an entry point to allow a correction," he said.

He predicted that the market will settle into a narrow range between the high 1,100s and the low 1,200s on the Dow for two to three weeks and then move up again.

Some of the selling was triggered by investor concerns over the size of the federal budget deficit and what effect that would have on interest rates.

The congressional battle over the fiscal 1984 budget resolution appeared to have reached a stalemate, with Senate Republican Leader Howard Baker warning there is a strong chance no agreement will be reached.

The fight is over how to reduce the huge budget deficit and where to spend. Preston Martin, Federal Reserve vice chairman, warned Tuesday large deficits pose a "prominent risk to solid growth" in the economy.

Further, congressional delay in passing legislation to raise the government's debt ceiling apparently has prompted the Treasury to forego announcing next Wednesday an

auction of two-year notes that would settle May 31.

On the NYSE floor, oil company issues, which have been lagging the recent stock market rally, started to catch up Wednesday after Salomon Brothers issued a lengthy, favorable report on the group.

Salomon Brothers oil analyst Paul Mitotok said his brokerage firm "took a very positive outlook on the oil industry."

He based his optimistic assessment of the oil stocks on a growing confidence that the OPEC base price of \$29 a barrel for crude oil will be maintained. He also expects that, by the fourth quarter, the industry will feel the effects of increased energy demand as a result of the economic upturn.

Oil stocks with advances included Ashland Oil up 1/4 to 35 1/2, Standard Oil of Indiana 1 1/4 to 46 1/4, Atlantic Richfield 1 1/4 to 46 1/4, and Mobil Oil 1/4 to 31 1/4, all in active trading.

The share prices of Monsanto and Diamond Shamrock have been active on concern about a possible adverse ruling in a suit involving the use of the defoliant, "Agent Orange," in Vietnam, analysts said.

Both companies, plus Dow Chemical and six other chemical manufacturers are defendants in a suit filed by more than 20,000 Vietnam veterans, widows, and children, alleging that dioxin in the defoliant caused cancer, deformities in children and other illness.

Analysts said Monsanto and Diamond Shamrock are the only two not to ask for dismissal of the suit. Monsanto, which had asked 4 1/2 Tuesday, lost another 1/4 Wednesday to 86 1/4. Diamond Shamrock, down 1 1/4 Tuesday, gained back 1 1/4 to 24 1/4.

Zayre Corp., which lost 2 1/2 Tuesday, was a buying target. The company said its first-quarter earnings tripled from a year ago.

International Telephone & Telegraph was active after the conglomerate reported first-quarter earnings down to 98 cents a share from \$1.10 a year ago.

## U.S. Retail Sales Rose Strong 1.6% in April

United Press International

WASHINGTON — U.S. retail sales surged 1.6 percent in April and 1.7 percent in March, with auto sales accounting for more than half of the improvement, the Commerce Department said Wednesday.

The April level of sales activity was \$94.2 billion after seasonal adjustment, the department said. The March level was revised sharply upward from the previously reported 0.3 percent increase to 92.7 billion.

The March revision was enough to pull the entire first quarter's retail sales 0.1 percent above the level of 1982's fourth quarter sales, giving the economy an extra push into economic recovery, department analysts said.

Prior to the revision the January-March sales were weaker than the October-December sales, a factor

which appeared to make the recovery weaker than it would otherwise be.

Leading economists generally agree that increases in consumer spending are necessary to keep the recovery going into the second half of the year.

Without April's \$17.6 billion in car sales included, the month's overall retail sales would have climbed just 0.7 percent.

With March auto sales excluded, that month's 1.7 percent increase would have been only 0.5 percent, the department said.

Auto sales alone were up 7.7 percent in April and another 5.5 percent in March.

In a separate report, Ward's Automotive Reports of Detroit said Tuesday that domestic automakers ended April with the lowest inventory of unsold cars in six years, a 53-day supply.

## People Express May Face Delay

The Associated Press

LONDON — Britain's Trade Department has deferred a decision on whether to allow People Express to start offering inexpensive trans-Atlantic flights, the British press reported Wednesday.

The airline has proposed charging \$149 for one-way flights from Newark International Airport to London. The U.S. Civil Aeronautics Board in the United States has already said the airline can begin the cheap flights May 26, but British approval is needed.

The Financial Times said the Trade Department had deferred its decision. The Daily Mail said a committee within the British Civil Aviation Authority "were not convinced" that People Express "had taken into account all the costs involved in flying a route which has seen the demise of so many airlines."

## Seven Borrowers Set New Eurobond Issues

Compiled by Our Staff From Dispatches

LONDON — The Eurobond market witnessed a flurry of new issue activity Wednesday, with seven borrowers tapping the market for the equivalent of about \$600 million.

Crédit Agricole of France launched an expanded floating-rate note for \$250 million, with warrants included for an additional \$125 million in fixed-rate Eurobonds. Market sources said the notes originally were planned for \$150 million.

The issue, lead managed by Kidder, Peabody International, is for 12 years and pays 4 percent over the six-month London Euro-dollar deposit rate. The minimum coupon is 5 1/2 percent.

Each \$10,000 note carries five warrants, with a one-year life. Each warrant allows the purchase of \$1,000 worth of 10 1/2 percent, 1989 bonds at par. The borrower can call the notes in 1986 at par, and investors can redeem them at par in 1990 and 1993.

Great Western Financial, a California savings and loan institution, is raising \$50 million through a 15-year convertible Eurobond, lead manager Credit Suisse First Boston said.

The issue carries an indicated coupon of 7 1/2 to 8 percent, with an expected conversion premium of 15 to 20 percent over the share

price. Final terms will be set May 18.

South African Transport Services is raising 100 million Deutsche marks through a seven-year Eurobond, lead managed by Berliner Handels- und Frankfurter Bank.

The bond, which carries a 9 1/4 percent coupon, is guaranteed by the Republic of South Africa. Pricing will take place on May 20, and it will go on sale on May 31, BHF Bank said.

Banque Nationale de Paris is raising 60 million Canadian dollars through a 10-year Eurobond, which it is lead managing itself. The issue carries a 12 percent coupon and par price. Orion Royal Bank and Wood Gundy are co-lead managers.

European Banking Co. in Brussels launched a 40 million European currency unit Eurobond. The six-year bond, lead managed by Paribas and issued through a finance subsidiary, carries an 11 1/2 percent coupon and is priced at par.

Creditanstalt Bankverein launched a \$50 million, five-year Eurobond with a 10 1/2 percent coupon and par price, lead managed by S.G. Warburg & Co.

TDK Corp. of Japan issued a \$50 million seven-year Eurobond, lead managed by Credit Suisse First Boston. Issue terms will be fixed before May 26.

## CURRENCY RATES

Interbank exchange rates for May 11, excluding bank service charges.

	U.S.	DM	FF	Yen	Sw.	£	Sfr	Scd.
Amsterdam	2.4705	4.311	112.55	372.65	1.48	1.631	1.398	13.9
Frankfurt	2.4705	4.311	112.55	372.65	1.48	1.631	1.398	13.9
London (S)	1.6694	3.8292	115.74	388.65	1.48	1.631	1.398	13.9
Paris (S)	1.3620	3.277	92.18	317.1	1.48	1.631	1.398	13.9
New York	1.5482	3.4161	103.94	344.8	1.48	1.631	1.398	13.9
Porto	2.0223	3.197	83.367	327.1	1.48	1.631	1.398	13.9
1 ECU	1.972	4.099	103.03	342.7	1.48	1.631	1.398	13.9
1 SDR	1.0754	2.4928	72.44	248.54	1.48	1.631	1.398	13.9

Source: Reuters 1214 1/2h.

(a) Commercial bank (b) Amounts needed to buy one pound (c) Units of 100 (d) Units of 1,000

Interest Rates

	1M	3M	6M	1Y	2Y	3Y	5Y	10Y
1M	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4
3M	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4
6M	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4
1Y	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4

Key Money Rates

	1M	3M	6M	1Y	2Y	3Y	5Y	10Y
1M	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4
3M	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4
6M	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4
1Y	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4

West Germany

	1M	3M	6M	1Y	2Y	3Y	5Y	10Y
1M	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4
3M	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4
6M	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4
1Y	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4

Source: Commercial Bank of Paris

Source: Bank of America & Foreign

## Taiwan Plans Offshore Bank Center

By John Ngai

TAIPEI — Taiwan plans to set up an international offshore banking center in an effort to become a major financial center of Asia.

The center, approved by the government in February and awaiting final sanction from parliament next month or in July, will provide tax concessions to foreign banks and a large measure of freedom from foreign exchange controls.

It will compete with existing offshore banking centers in Singapore, Hong Kong, Manila and Bahrain and possibly also with a similar center in Tokyo.

Offshore banking centers are conglomerations of banks from around the world drawn together by the tax advantages of operating in that center.

The proposed center, expected to start operating early next year, has received a mixed reaction from the 27 foreign banks and six representative offices operating in Taiwan, some of which believe its establishment is politically inspired.

Taiwan appears to want to increase its political and commercial influence, bankers believe, at a time when the country is under pressure from the People's Republic of China.

The People's Republic, which ousted Taiwan from China's seat at the United Nations in 1971, currently is trying to supplant Taiwan in the Asian Development Bank.

The establishment of the center marks a radical change in the financial policy of Taiwan, which since its creation has maintained strict foreign exchange controls as an anti-inflationary measure.

The Nationalists still remember how rampant inflation in China helped lead to their defeat by the Communists on the mainland in 1949.

"The banks have not pressed for the center," one banker said. "The pressure has come from within the government. The political motivation, aimed at bringing more money into Taiwan, has overridden financial considerations of whether the center will be viable."

Some bankers also doubt whether there will be enough demand for the center in Taiwan, with similar centers already operating in the region.

But Taiwanese officials point to the expiration of Britain's lease on Hong Kong in 1997, which they predict will lead to a mass exodus of capital before part of the colony reverts to China.

Taiwanese Economy Minister Chao Yao-ming predicted that the flight of money from Hong Kong before 1997 would be up to \$30 billion and said it would be a great help if Taiwan could get a fraction of that amount.

In the proposed center, transactions by licensed Taiwanese and foreign banks largely will be free of foreign exchange controls.

Encouragements to banks to join the center will include tax exemptions on interest earned from deposits or loans and on business income, currently taxed at the rate of 35 percent. Exemptions from stamp duty also will be granted.

Banks will not be required to keep reserves, currently set at more than 20 percent for local banks, or to maintain fixed liquidity ratios.

Transactions will be allowed in U.S. or other currencies and there will be no restrictions on interest rates charged.

Some bankers also doubt whether there will be enough demand for the center in Taiwan, with similar centers already operating in the region.

But Taiwanese officials point to the expiration of Britain's lease on Hong Kong in 1997, which they predict will lead to a mass exodus of capital before part of the colony reverts to China.

Taiwanese Economy Minister Chao Yao-ming predicted that the flight of money from Hong Kong before 1997 would be up to \$30 billion and said it would be a great help if Taiwan could get a fraction of that amount.

In the proposed center, transactions by licensed Taiwanese and foreign banks largely will be free of foreign exchange controls.

Encouragements to banks to join the center will include tax exemptions on interest earned from deposits or loans and on business income, currently taxed at the rate of 35 percent. Exemptions from stamp duty also will be granted.

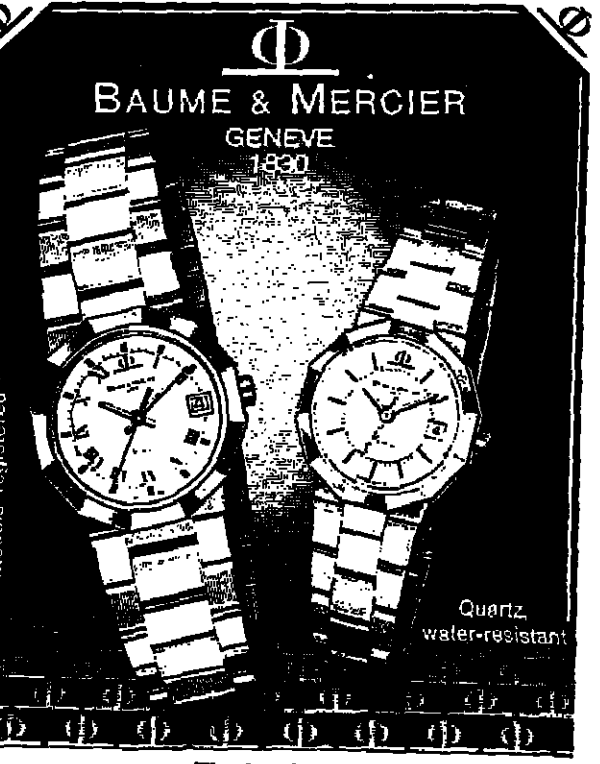
Banks will not be required to keep reserves, currently set at more than 20 percent for local banks, or to maintain fixed liquidity ratios.

Transactions will be allowed in U.S. or other currencies and there will be no restrictions on interest rates charged.

Harry Winston of New York presents his latest creations as well as a selection of his rarest stones

Les Ambassadeurs  
5, Hamilton Place - London  
from May 12 to May 19, 1983

New York Genève Paris Monte-Carlo









## BUSINESS BRIEFS

## Amoco Sells Italian Subsidiary To Saudi-Controlled Companies

ROME (Reuters) — Amoco Italiana, an Italian oil refining company, announced Wednesday that it has been sold by its parent, Standard Oil of Indiana, to two Saudi Arabian-controlled companies.

Industry sources said the acquisition by the First Arabian Corp. and Arabian Sea Oil represented the first move by Arab interests into the Italian oil refining market. They said the purchase demonstrated the determination of oil producing countries to gain greater control of downstream operations during the current oil glut.

Amoco Italiana, which operates a large refinery at Cremona in northern Italy and controls about 3 percent of the national market for refined oil products, said the company's entire stock had been bought by the two Saudi companies.

Amoco operates a chain of 1,100 gasoline stations in Italy. It has a work force of about 600 and had a turnover of 1.1 trillion lire (\$755.9 million) last year.

## Court Rejects Klöckner Appeal

LUXEMBOURG (UPI) — The Court of Justice of the European Community rejected on Wednesday complaints by West Germany's Klöckner-Werke steel company against the European Commission for having imposed production and delivery quotas on the company deemed too low.

The court also rejected an appeal by Klöckner against a 5 million Deutsche marks (\$2 million) fine imposed by the commission because the company had exceeded its production quotas in the first quarter of 1981.

Klöckner attacked the commission's rulings on various counts. It contested the legality of the commission decision to impose quotas and argued that the commission quotas had miscalculated Klöckner's production capacity.

## Sun Banks Cancels Merger Talks

FORT LAUDERDALE, Fla. (UPI) — Sun Banks Inc. of Orlando called off merger talks with Florida Banks Inc. of Miami on Tuesday, a day after announcing a \$331 million bid for Flagship.

Flagship's largest stockholder, Juan Vicensé Pérez Sandoval of Caracas, Venezuela, who owns 9.9 percent of Flagship's stock and has an option to purchase an additional 11.7 percent, then announced that he would sue Flagship. He charged that the bank and its directors had committed "a gross breach of their fiduciary duty" by failing to accept the Sun Banks proposal.

## First Chicago Settles With Iran

CHICAGO (AP) — The First National Bank of Chicago said Wednesday that it had settled its bank debt with Iran, obligations dating from 1979 when the U.S. Embassy in Tehran was seized.

Under a recent agreement concluded in London, First Chicago will receive from Iran \$13,077,000, representing payment of the bank's outstanding loans plus interest.

The settlement also provides for Iran to pay First Chicago an additional amount, now in excess of \$700,000, for 18 days interest on syndicated loans, after Iran, the U.S. government and the affected U.S. banks agree on payment procedures.

## ECU Traveler's Checks Studied

PARIS (UPI) — The first attempt to popularize the European currency unit, the composite unit made up of nine European Community currencies, is under way with a group of French banks setting up a company to study and develop a traveler's check denominated in ECUs. The aim is to be marketing by next year ECU checks in denominations as small as 50 ECU.

American Express will extend technical assistance as well as holding a small interest in the new company that is being founded by Crédit Lyonnais, Banque Nationale de Paris, Caisse Nationale de Crédit Agricole and Crédit Commercial de France.

The founders say they are seeking the participation of banks in the other EC member countries. They say the ECU is in increasing demand with international institutions and companies because of the greater stability of interest and exchange rates it offers compared with domestic currencies.

## Norway Reports Oil Discovery

STAVANGER, Norway (AP) — Norway announced Wednesday its first offshore oil discovery north of the 62nd parallel but declined to comment on its commercial potential.

The discovery, in which the Norwegian state oil company, Statoil, has a 50 percent interest, was in an offshore area called Haltenbanken, north of the North Sea. Norway produces about 500,000 barrels a day in its sector of the North Sea.

The government said Statoil had struck oil and natural gas when drilling the second test well in the Haltenbanken area. Three private oil companies hold interests in the project: Amoco Norway, with 20 percent; Norsk Conoco with 20 percent; and Norsk Hydro Produktion with 10 percent.

## U.S. Clarifies Rules On Joint Research

By Robert D. Hershey Jr.

New York Times Service

WASHINGTON — William F. Baxter, the Justice Department's antitrust chief, has offered business executives specific benchmarks that should make it easier for them to judge when companies can do joint research without violating the law.

Mr. Baxter's statement, probably the most explicit ever made on the subject by any U.S. administration, could be another incentive to increase joint research and development efforts by American companies.

Many business executives have complained that American antitrust laws have helped undermine the U.S. ability to compete successfully against Japan and other countries.

Mr. Baxter, while inclined to belittle that contention, nonetheless described in detail Tuesday the circumstances under which it would be unlikely that joint ventures would be challenged.

In general, he declared, such collaborations are likely to be permissible when the participants account for no more than half of an industry and when their joint efforts would still leave room for four to six competing ventures in the field.

"That should be regarded as the safe OK," Mr. Baxter, assistant attorney general for the antitrust division, told a meeting sponsored by the National Association of Manufacturers.

James P. Carty, an antitrust specialist for the manufacturers group, praised Mr. Baxter's formulation as likely to provide some additional "comfort" to corporate officials contemplating joint ventures.

He and other participants in the conference, however, took issue with Mr. Baxter's broader contention that U.S. antitrust laws are a negligible factor in the nation's trade deficit — \$19 billion last year — with Japan. "A lot of people feel it has a chilling effect," Mr. Carty said.

The administration's legislative

It is often argued, Mr. Baxter observed, that joint ventures pose a danger of exclusivity because some company that would like to participate is left out. But the real problem — if there is one — is not whether such ventures are too exclusive but whether they are too inclusive, he said. If an entire industry were to combine to do research and development, he said, it would amount to repeating the patent system that has been devised to foster competitive innovation.

Mr. Baxter warned that collaborative research should be done by groups no bigger than is necessary to take maximum advantage of the economies of scale. In doing so, he made it clear that measurements of industry participation should not necessarily be confined to American companies but should take into account other producers throughout the world.

James P. Carty, an antitrust specialist for the manufacturers group, praised Mr. Baxter's formulation as likely to provide some additional "comfort" to corporate officials contemplating joint ventures.

He and other participants in the conference, however, took issue with Mr. Baxter's broader contention that U.S. antitrust laws are a negligible factor in the nation's trade deficit — \$19 billion last year — with Japan. "A lot of people feel it has a chilling effect," Mr. Carty said.

The administration's legislative



William F. Baxter

proposals on antitrust matters include a provision that makes joint research efforts subject to a so-called rule of reason. This in effect, means that each case can be examined and argued individually in contrast to per se cases in which certain behavior, such as price-fixing, is illegal on its face.

Mr. Baxter's package also calls on Congress to abolish treble damages for private antitrust suits per se cases, limiting recovery to actual damages suffered.

Products are protected much better than processes, he noted. That fact, he said, prompted the administration to include in the bill a provision that would extend the patent on a process to the product that results from it. Under present law, foreign companies are able to obtain a patented process, develop a product from it and then sell the product in the United States with impunity.

## Banks Reject New Plan on Brazil Funds

Reuters

NEW YORK — Brazil's coordinating committee of 18 international banks has rejected a U.S. proposal to combine the trade-financing and interbank components of its four-part financing program, banking sources said Wednesday.

Major U.S. banks made the proposal at a meeting here Tuesday but it was rejected by British and Japanese representatives on the committee, they said.

The motive for the proposal was to encourage banks, especially U.S. regional institutions, to commit more funds to Brazil, the sources said.

Under project three of the four-part international financing package arranged for Brazil earlier this year, banks were asked to commit trade-financing lines totaling \$8.8 billion.

Commitments are running on target, if not above, and bankers said they are generally satisfied with this aspect of the package.

But project four, which asked banks to maintain \$7.5 billion in interbank money-market lines, has met a disappointing response and the proposal made Tuesday was designed to overcome the resistance of banks that have not met their quota, sources said.

Interbank lines currently stand at about \$6 billion, unchanged from the level of April 12 and \$1.5 billion short of the target of \$7.5 billion, itself an interim goal.

According to April figures, U.S. regional banks accounted for about \$600 million of the shortfall and apparently have resisted pressure from the money-center banks to make up the difference.

But the regional banks have indicated a willingness to increase their trade-financing to Brazil, on the grounds that they can tie it in more easily to their customers' needs, and this led to the proposal to combine projects three and four, sources said.

The proposal, however, was vetoed by representatives of those countries that already have committed their full quota of interbank lines, banking sources said.

## U.S. Stock Specialists Under Pressure

(Continued from Page 7)

\$300,000 and a seat on the Amex costs about \$100,000. A specialist is voted on by the exchange but the key is that the firm must prove its ability to make a market in the stock.

At the Big Board, a firm must be able to purchase 5,000 shares of each of the stocks in its franchise. At the Amex, a firm must prove net liquid assets of \$100,000 and be able to buy 20 trading units for each of the securities the firm is registered to trade.

There are 200 specialists grouped in 27 units at the Amex, with each unit trading about 35 stocks. At the Big Board, there are about 400 individual specialists grouped into 57 trading units with about 27 stocks per unit.

The specialists may retain an important role, but their participation in trading is declining relative to market volume. Today they are buyers or sellers in only 20 percent of the transactions at the New York Stock Exchange and in only 12 percent at the Amex. And the largest trades are done at the big brokerage firms' offices, where those brokers assemble buyer and seller.

Moreover, many of the manual chores of the specialist have already been automated. The broker no longer hand delivers small orders. Those are split out by a machine at the specialist booth. Even the most visible tool of the specialist — the book, which is a long, narrow loose-leaf binder where orders to buy and sell stocks at different prices are kept — has been automated on an experimental basis.

The Warner announcement came on Dec. 8, and trading was halted at 3:20 that afternoon. The stock did not reopen until 3:30 P.M. the next day and stayed open only 30 minutes. The first trade was down \$15.75.

"That to me represented a low point in terms of a specialist handling a market situation in an orderly manner," said Mr. Paton, Prudential-Bache's executive vice

president. He took his customer business to the Boston Exchange.

"For a specialist not to be able to open a stock when there was so much volume wanting to be done is not right," he said.

The New York exchange acknowledges that the Warner case was mishandled, but says it was an exception to normal trading patterns. To insure that the problem does not recur, the exchange has established specialist teams to assist the lone specialist swamped with orders.

Michael A. Driz, president of a large specialist firm on the American Stock Exchange, Driz Goldring Wohlrich Inc., said that his role was misunderstood. "The hardest part is that the public doesn't see exactly what we're doing, there are so many middle-men between us and the customer that what we're doing is often misunderstood."

James Jacobson, a specialist in the firm Benjamin Jacobson & Sons, said his job was to provide liquidity to the market. But he adds that "a specialist is not obligated to buy everything for sale." Rather, he said a specialist provides buying power in stages and looks to find others to take the risk. In a down market, he said, the specialist "acts as a cushion to that decline."

An example of criticism directed at specialists following a trading delay involved Warner Communications stock. After the company announced that its Atari video game division would post lower earnings than expected, sellers rushed to unload stock but could not get them sold in New York. The stock is handled by Rothberg, Stuart and Co., which declined to comment on the event.

The Warner announcement came on Dec. 8, and trading was halted at 3:20 that afternoon. The stock did not reopen until 3:30 P.M. the next day and stayed open only 30 minutes. The first trade was down \$15.75.

"That to me represented a low point in terms of a specialist handling a market situation in an orderly manner," said Mr. Paton, Prudential-Bache's executive vice

Weekly net asset value  
Tokyo Pacific Holdings N.V.  
on May 9, 1983: U.S. \$96.41.  
Listed on the Amsterdam Stock Exchange  
Information: Pierson, Helderling & Pierson N.V.,  
Herengracht 214, 1016 BS Amsterdam.

**INTERNATIONAL POSITIONS**

**GERMAN COMPANY seeks a GENERAL MANAGER**  
for branch office in SAUDI ARABIA  
Qualifications: Diploma in mechanical or process engineering with minimum 10 years work-experience - of which 3 years in MIDDLE EAST.  
Language: Fluency in English-German is desirable.  
Duration of contract: Minimum 2 years and the possibility of an extension.  
Starting of contract: 1st July, 83.  
According to importance the position is very well paid.  
Please submit your complete application with typewritten C.V. and copies of work-certificates to the management consultants.  
**TECHNOLOGY INDUSTRIAL CONSULTANTS**  
P.O. Box 215 - 5401 Baden (Switzerland).

**SENIOR VICE PRESIDENT**  
EUROPE MIDDLE EAST, AFRICA  
This position to be based in the U.K., is available with a U.S. multi-national consumer products corporation.  
Responsibilities include providing executive leadership to our affiliate companies, sales offices, and distributors, as well as having overall profit responsibility for the territory.  
The qualified applicant must have 15 to 20 years' of international general management experience, preferably in the toy industry, managing world-wide multi-regional affiliates. We require a strong profit-oriented executive who understands sophisticated international marketing techniques and has expertise in the disciplines of finance, manufacturing, and sales.  
To qualify for consideration, please send your resume (c.v.) and salary history to:  
Box D 2001, Herald Tribune, 92521  
NEUILLY CEDEX, France  
Only resumes with complete salary histories will be considered.

**FOR A MAXIMUM RETURN ON TIME INVESTED.**  
International Herald Tribune  
It's got more for you.

## Eastman Kodak Makes Chandler New Chairman

Compiled by Our Staff From Dispatches

ORLANDO, Florida — Eastman Kodak announced on Wednesday that President Colby H. Chandler has been elected to succeed Walter A. Fallon as the company's chairman and chief executive officer.

Mr. Fallon is to retire July 1. Mr. Chandler, 57, has been president of Kodak since 1977. Mr. Fallon has been chief executive officer since 1972 and chairman since 1977.

Commenting on last week's layoff of 1,600 Kodak workers, Mr. Fallon told the company's annual meeting that the work force reductions could best be understood in light of financial results for the first quarter of 1983.

During that quarter, sales declined 5 percent to \$2.13 billion. Net earnings, before charges associated with the company's optional retirement and separation program, were down 25 percent to \$136.8 million.

When the costs of implementing the separation program were included in calculations, net earnings were 73 percent lower than those reported a year ago.

"We see 1983 as a turn-around year... a time when financial results will bottom out as we build the base for renewed earnings growth in 1984 and beyond," he said.

To meet those goals, Mr. Fallon added, Kodak will undergo a major cost-reduction program and reduce the number of its employees through attrition.

Mr. Chandler will be succeeded as president by Kay R. Whitmore, currently an executive vice president and general manager of Kodak's Photographic Division, the company said.

**Gold Options (prices in \$/oz.)**

Price	May	Aug	Nov
100	1430.00	1430.00	1430.00
200	1430.00	1430.00	1430.00
300	1430.00	1430.00	1430.00
400	1430.00	1430.00	1430.00
500	1430.00	1430.00	1430.00
600	1430.00	1430.00	1430.00
700	1430.00	1430.00	1430.00
800	1430.00	1430.00	1430.00
900	1430.00	1430.00	1430.00
1000	1430.00	1430.00	1430.00

**Values White World S.A.**  
1, Quai de Mont-Belluc  
1211 GENEVE 1, Switzerland  
Tel. 022 25 25 25 - Telex 2525

## ADVERTISEMENT INTERNATIONAL FUNDS

May 11, 1983

The net asset value quotations shown below are supplied by the Funds listed with the exception of some funds whose quotes are based on issue prices. The following marginal symbols indicate frequency of quotations supplied for the fund: (d) - daily; (w) - weekly; (m) - monthly; (b) - bi-monthly; (r) - quarterly; (i) - irregularly.

AL-MAL MANAGEMENT CO. S.A.		UNION BANK OF SWITZERLAND:	
(m) Al-Mal Trust	\$F 729.92	(d) Amco U.S. \$	\$F 26.90
BANK JULIUS BAER & CO LTD		(d) Bond-Invest	\$F 24.72
(d) Bank of London	\$F 726.00	(d) Bond-Invest	\$F 10.00
(d) Bank of Paris	\$F 726.00	(d) Bond-Invest	\$F 77.50
(d) Bank of Rome	\$F 726.00	(d) Bond-Invest	\$F 77.50
(d) Bank of Spain	\$F 726.00	(d) Bond-Invest	\$F 136.00
(d) Bank of Tokyo	\$F 726.00	(d) Bond-Invest	\$F 136.00
(d) Bank of Vienna	\$F 726.00	(d) Bond-Invest	\$F 136.00
(d) Bank of Zurich	\$F 726.00	(d) Bond-Invest	\$F 136.00
BANK OF ERNST & CHAG 1922 Bern		(d) Bond-Invest	\$F 136.00
(d) Bank of London	\$F 22.39	(d) Bond-Invest	\$F 136.00
(d) Bank of Paris	\$F 22.39	(d) Bond-Invest	\$F 136.00
(d) Bank of Rome	\$F 22.39	(d) Bond-Invest	\$F 136.00
(d) Bank of Spain	\$F 22.39	(d) Bond-Invest	\$F 136.00
(d) Bank of Tokyo	\$F 22.39	(d) Bond-Invest	\$F 136.00
(d) Bank of Vienna	\$F 22.39	(d) Bond-Invest	\$F 136.00
(d) Bank of Zurich	\$F 22.39	(d) Bond-Invest	\$F 136.00
BRITANNIA POB 271 St. Helier, Jersey		UNION INVESTMENT Frankfurt	
(d) Bank of London	\$F 10.30	(d) Uninvest	DM 29.61
(d) Bank of Paris	\$F 10.30	(d) Uninvest	DM 29.61
(d) Bank of Rome	\$F 10.30	(d) Uninvest	DM 29.61
(d) Bank of Spain	\$F 10.30	(d) Uninvest	DM 29.61
(d) Bank of Tokyo	\$F 10.30	(d) Uninvest	DM 29.61
(d) Bank of Vienna	\$F 10.30	(d) Uninvest	DM 29.61
(d) Bank of Zurich	\$F 10.30	(d) Uninvest	DM 29.61
CHARTER LIFE INSURANCE GROUP YORK & W		Other Funds	
(d) Growth Strategies Pl.	\$F 1.72	(d) Acetabular Investment Fund SA 20.04	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Alexander Fund	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Aristo	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72
(d) Venture Strategies Pl.	\$F 1.72	(d) Bond-Invest	\$F 1.72







## Wednesday's AMEX Closing Prices

[illegible]

## Wall Street Bullish on Digital Switch Stock

*But Many Are Beginning to Say the Young Company Is Overpriced*

By Howard Luxenberg

**NEW YORK** — For a company that did not generate any revenue until the second quarter of last year, Digital Switch has fast become the favorite of the high rollers on Wall Street.

The stock has catapulted from \$39 a share in January to over \$140 in over-the-counter trading this week. At this time last year it was selling for less than \$15 a share.

Most of the commotion in the stock is traced to its link with the telecommunications industry, which is about to undergo a revitalization as a result of the scheduled breakup of American Telephone & Telegraph Jan. 1, 1984.

Digital Switch provides switching equipment to specialized communication carrier companies (or receiving and transmitting long distance calls).

AT&T is estimated to control more than 90 percent of the \$40

billion long distance market, but analysts said other carriers are beginning to get a slice of the remaining 10 percent. The others are regarded as potential customers for Digital Switch.

MCI Communications — the most active OT stock of 1982 — is Digital Switch's biggest customer, accounting for a major portion of the company's \$116 million order backlog.

But Susan Hirsch of Boston Barneys, Harris' chief analyst, rejecting the view of other analysts, said, "We're looking at a breakout of the industry that was previously a monopoly of AT&T."

She said the company has an "exciting market, whose success depends on how well other carriers do in competing with AT&T."

Formed in 1976, Digital Switch went public in 1980 but did not have any revenue until the June 30, 1982, quarter because its product was still in the development stage.

In less than a year the company has taken Wall Street by storm. Although some analysts have begun to express caution about the run-up in the price of the stock.

"Digital Switch has emerged from the embryonic stage to become a company of substance," Ms. Hirsch said.

Even with the encouraging fundamentals, some analysts believe the stock's rise may have come too fast. On 1982 earnings, its price/earnings ratio is 280. With its 5.7 million shares outstanding, the company's market value is currently more than \$800 million. Its sales in 1982 amounted to \$37 million.

Steven Monte of Rooney Pacific Inc. calls Digital Switch "a super company, but grossly overpriced."

Ms. Hirsch said, "The stock was an easy recommendation at lower prices, but at these levels it's hard to initiate a position in it" despite favorable business prospects.

Digital Switch earned 49 cents a share last year, and in the first quarter of 1983 the company already has exceeded that, earning 53 cents a share.

Ms. Hirsch expects the company to earn \$2.40 a share this year and predict \$2.50 for 1984. The 1984 estimate may be conservative, she said.

Mr. Monte forecasts Digital Switch will earn \$2 and \$4 a share in 1983 and 1984, respectively, and sees sales climbing to \$100 million and \$200 million.

But Mr. Monte cautioned, "A lot of things will have to go right for them to be able to secure new customers and introducing new products" in order for Digital Switch to meet his 1984 projections.

"My thoughts are they will have to get additional customers to get sales up to the \$300 million level and earnings to \$4 a share next year," he said.

## EC Hits Snag in Talks With China

**BRUSSELS** — The European Community has suffered a setback in its efforts to negotiate a new textile agreement with China only two weeks after U.S.-Chinese talks broke down in acrimony, officials said Wednesday.

A team of textile experts from the European Commission returned Tuesday from a four-day visit to Beijing, and members of the party said it appeared that China was not ready to begin talks.

"They gave an indication of their demand, and just remained silent," said one official.

Diplomats said they were surprised by the outcome. "We expected the Chinese to do a lot of talking," one said.

The community is seeking to renew a four-year agreement limiting Chinese clothing and textile exports. The agreement runs out at

the end of the year and the commission had expected to be able to draw up its negotiating position after last week's talks.

"I don't see how we can do it now," the official said.

Talks between the United States and China on a textile accord broke down in January of this year after disputes developed over the terms.

Diplomats said the community's talks with China were particularly tense following the failure of the U.S. summit. Those talks had shown that there apparently would be strong political overtones to Beijing conditions for any accord, the diplomats said.

Beijing's silence was particularly puzzling because Foreign Trade Minister Chen Muhua had assured the commission on a visit to Brussels last month that China wanted

to increase its trade with the 10-nation bloc.

Textiles had been discussed at that time and commission officials said they had explained the significance of the May talks in Beijing.

China's textile industry is large and expanding rapidly, although at the moment it does not send as many goods to the community as do major exporters like Hong Kong and South Korea.

The community, which has been seeking to hold down imports from the Third World in order to shield its own industry during the recession, had been expecting China to ask for bigger quotas.

But the diplomats said the community was unwilling to agree to any large increases and wanted to offer modest terms similar to those negotiated with more than 20 developing countries last year.

## Las Vegas Hotel Settles Fire Case

**NEW YORK** — In what may be the largest out-of-court settlement of its kind, MGM Grand Hotels and 41 other defendants have agreed to pay \$140 million to settle claims arising out of a 1980 Las Vegas hotel fire that killed 84 persons.

MGM Grand Hotels will pay \$75 million and the 41 other defendants will pay smaller sums to 137 victims of the fire and their families, said John Cummings 3d, chairman of the plaintiffs' legal committee. He called it "the largest settlement in United States history."

The individual awards range from \$18,000 each for a man and woman who inhaled toxic gases to \$6 million for the daughter of a couple who perished.

# The International Herald Tribune and the High Council of Chambers of Commerce, Industry and Navigation of Spain invite you to Meet the New Spanish Government

Miguel Boyer      Fernando Morán      Felipe González      Carlos Solchaga      Joaquín Almunia

*May 30 and 31, 1983 in Madrid*

The election of a Socialist government in Spain is of particular significance to the international business community. After initial steps characterized more by pragmatic moderation than by left-wing ideology, the government of Felipe González is being closely watched to see whether it will succeed in restoring economic health to the country.

To help senior executives of foreign companies assess the prospects for their activities and investments in Spain, the International Herald Tribune and the High Council of Spanish Chambers of Commerce have organized, with the cooperation of the Spanish government, a conference on "New Spanish Economic Policies," to be held May 30 and 31 at the Palace Hotel in Madrid.

The conference will be addressed by **Felipe González** and those members of his government most directly involved in formulating and implementing the policies that will affect business in Spain. Additional presentations will be given by bankers, businessmen and trade union officials.

The proceedings will be chaired by **José María Figueras**, President of the High Council of Chambers of Commerce, and **Lee W. Huebner**, Publisher of the International Herald Tribune.

Each session will be followed by a question and answer period and simultaneous English, French and Spanish translations will be provided at all times.

To register for this exceptional international conference, please complete and return the registration form below today.

**MAY 30, 1983**

**GENERAL INTRODUCTION TO THE NEW SPANISH ECONOMIC POLICY**  
Felipe González, President of the Government

**FOREIGN POLICY**  
Fernando Morán, Minister of Foreign Affairs

**FOREIGN TRADE**  
Luis Velasco, Secretary of State for Commerce

**LUNCHEON ADDRESS**  
Miguel Boyer, Minister of Economy and Finance

**FINANCIAL AND MONETARY POLICY**  
José Álvarez Rendueles, Governor of the Bank of Spain,  
Miguel Ángel Fernández Ordóñez, Secretary of State for Economy and Planning

**PANEL OF SPANISH AND FOREIGN BANKS**  
Chairman: Rafael Termes, President of the Spanish Private Banking Association

Alejandro Albert, Managing Director, Banco Hispano Americano  
Henri Lamarle, Vice Chairman and Chief Executive Officer, BNP, España S.A.  
Richard W. May, Vice President and Country Manager, The Chase Manhattan Bank N.A.

**MAY 31, 1983**

**INDUSTRIAL POLICY**  
Carlos Solchaga, Minister of Industry  
Enrique Moya, President of the National Industry Institute (I.N.I.)

**FISCAL AND FOREIGN INVESTMENT POLICY**  
José Víctor Sevilla, Secretary of State for Finance  
Gerardo Burgos, Director General of Foreign Transactions

**PANEL OF SPANISH BUSINESSMEN**  
Chairman: Adrián Pizar, President of the Madrid Chamber of Commerce and Industry

Horst Semmel, General Manager, AEG Telefunken Spain  
Manuel Soto, Managing Partner, Arthur Andersen & Co., Europe  
José María Vizcaino, General Manager, Ramon Vizcaino, S.A.

**LUNCHEON ADDRESS**  
Speaker to be announced

**TRADE UNION POLICY**  
Nicolás Redondo, Secretary General of UGT  
Marcelino Camacho, Secretary General of CCOO.

**SOCIAL POLICY**  
Joaquín Almunia, Minister of Labor and Social Security

**CONFERENCE REGISTRATION FORM**

Return to: International Herald Tribune, Conference Office  
181, avenue Charles-de-Gaulle, 92521 Neuilly Cedex, France.  
Or telephone: 747 12 65, ext. 301, or telex: 612832

Please enroll the following participant for the conference to be held May 30 and 31, 1983 in Madrid. The participation fee is US\$375 or the equivalent for each participant.

☐ Please invoice      ☐ Check enclosed      **12-5-83**

Name \_\_\_\_\_  
Position \_\_\_\_\_  
Company \_\_\_\_\_  
Address \_\_\_\_\_  
City/Country \_\_\_\_\_  
Telephone \_\_\_\_\_ Telex \_\_\_\_\_

Reservations are payable in advance of the conference and will be returned in full for any cancellation that is received on or before May 10. A cancellation fee of \$8190 will be incurred after this date. Cancellations received by the organizers less than 5 days before the conference will be charged the full fee. Substitutions will be accepted at any time.

**HOTEL RESERVATION FORM**

Return to: Reservations Manager, Palace Hotel  
Plaza de las Cortes, 7, Madrid 14, Spain.  
Tel: 429 75 51/429 41 44. Telex: 22272

A block of rooms has been reserved for participants at preferential rates. Reservations must be received by May 23.

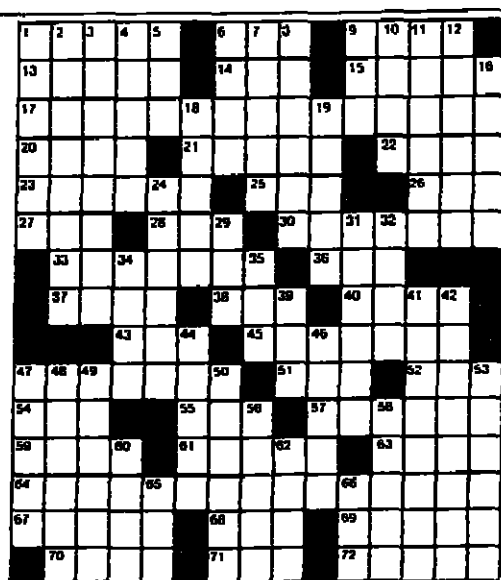
Please reserve accommodations for nights of May 29 and 30:

☐ Single (\$700 Ptas per night)  
☐ Double (\$700 Ptas per night)

Name \_\_\_\_\_  
Position \_\_\_\_\_  
Company \_\_\_\_\_  
City/Country \_\_\_\_\_  
Telephone \_\_\_\_\_ Telex \_\_\_\_\_



## CROSSWORD



**ACROSS**

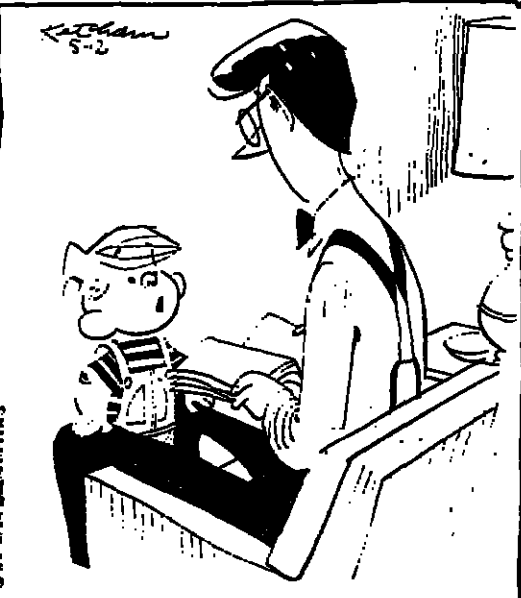
1 — del Sol  
6 Lunar rover's unit  
9 Philippine Moslem  
13 Played the Old Vic  
14 Site of Ohio Northern U.  
15 Fertilizer  
17 G.I.'s newspaper  
20 Fictive trader  
21 Vaquero's necessity  
22 Partner of Polish  
23 Beech  
25 Command to Rover  
26 Bulldog  
27 Relative of Saul  
28 — tracks (scowls)  
30 It's 45 light-years away  
33 It's 84 light-years away  
36 West Coast footballer  
37 Blackout, e.g.  
38 Politician  
40 Catlike's home town  
43 This was cut in the 40's  
45 It's 528 light-years away  
47 It's 98 light-years away  
51 North African V.I.P. of yore

**DOWN**

1 — the elated  
2 Tailgate picnic months  
3 Voyage for Kirk and Spock  
4 Coated steel  
5 Mag's money-makers  
6 Surface for duck  
7 Old Icelandic poems  
8 Varnish component  
9 Hook or L-shaped Abbv.  
10 Avignon assents  
11 Mansever for Hillary  
12 "lie" playwright  
13 Ancient Rome's port  
14 Russian labor group  
15 "Turdic language  
16 Imprisoned  
17 G.I.s  
18 Melonlike fruit  
19 Moslem boss  
20 Whirlybird  
21 Coral, e.g.  
22 Split or right one  
23 React after getting combed  
24 Famed dancing duo  
25 New Orleans treat  
26 Up-light  
27 Kind of punch  
28 Blood lines of sorts  
29 Cloudlike patch in the night sky  
30 Comber jockey  
31 Actress Ruth  
32 Quon's partner  
33 — voice  
34 Neighbor of Mima  
35 "Of Sing"  
36 Gridiron divs.  
37 TV newsmen  
38 Donaldson

©New York Times, edited by Eugene Maletka.

## DENNIS THE MENACE



"DO YOU AN' MOM OWN ME, OR AM I JUST RENTED?"

## JUMBLE

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

KRAAP

SESMY

SWUNIE

DAHNE

Now arrange the circled letters to form the words in the cartoon.

Yesterday's Jumble: TULIP FRUIT DIVIDE SUBTLY

Answer: What their neighbor exchanged for a little sugar — A LITTLE "DIRT"

## WEATHER

EUROPE HIGH LOW ASIA HIGH LOW

Algeria 17 25 16 24

Amsterdam 17 25 16 24

Antwerp 17 25 16 24

Athens 17 25 16 24

Batavia 17 25 16 24

Beijing 17 25 16 24

Bombay 17 25 16 24

Buenos Aires 17 25 16 24

Calcutta 17 25 16 24

Canton 17 25 16 24

Cebu 17 25 16 24

Colon 17 25 16 24

Delhi 17 25 16 24

Dhaka 17 25 16 24

Donghai 17 25 16 24

Frankfurt 17 25 16 24

Geneva 17 25 16 24

Hankow 17 25 16 24

Hong Kong 17 25 16 24

Hong Kong 17 25 16 24

Hong Kong 17 25 16 24

Hong Kong 17 25 16 24

Hong Kong 17 25 16 24

Hong Kong 17 25 16 24

Hong Kong 17 25 16 24

Hong Kong 17 25 16 24

Hong Kong 17 25 16 24

Hong Kong 17 25 16 24

Hong Kong 17 25 16 24

## PEANUTS

OKAY, IF YOU FIND ANY SIGN OF THE SUNKEN VESSEL AT THE BOTTOM OF MY WATER DISH, SIGNAL ME BY PULLING ON THIS ROPE

THIS IS A GOOD IDEA

BUT NOT A PERFECT IDEA

## BLONDIE

I'M SELLING SUNGLASS WRISTWATCHES

AND JUST HOW ARE YOU SUPPOSED TO TELL THEM AT NIGHT?

THAT'S SIMPLE

YOU USE THIS LITTLE FLASHLIGHT THAT COMES WITH IT

## BEETLE BAILEY

DO YOU REALLY THINK IT'S SANITARY SLEEPING WITH YOUR DOG?

SURE

I TOOK A BATH

## ANDY CAPP

I'VE LOST FIVE POUNDS, FET

YOU'VE DONE WHAT?

THAT'S MARVELOUS THAT IS! WITHIN THE PRICE OF A PINKY YOU GO AN' LOSE WHAT LITTLE CASH WE DID SAVE!!

I'LL LET 'EM STEW FOR A BIT

## WIZARD OF ID

JUST RELAX AND GET WELL... DON'T WORRY ABOUT THINGS AT THE OFFICE

THANK YOU, SURE

I'M PILING YOUR WORK IN CHRONOLOGICAL STACKS

## REX MORGAN

WHEN MELISSA PHONED, SHE SOUNDED AS THOUGH THERE WERE SOME SORT OF EMERGENCY

IT HAD TO DO WITH A FAMILY NEXT DOOR — BUT WHATEVER IT WAS, IT'S RESOLVED APPARENTLY

WHY DON'T WE DRIVE OUT TO SEE HER ANYWAY? IT'S BEEN A WHILE SINCE WE VISITED

MEANWHILE... WHAT? WHAT TIME IS IT?

## GARFIELD

I'M GOING TO TAKE A DIP IN HERE. SO BEAT IT, BIRD, BEFORE I BREAK YOUR BEAK

I HAVE A MOUTH WITH A DEATH WISH

I HAVE A MOUTH WITH A DEATH WISH

## BOOKS

## THE SOVIET VIEWPOINT

By Georgi A. Arbatov and Willem Oltmans. 219 pp. \$13.95.

Dodd, Mead, 79 Madison Ave., New York, N.Y. 10016.

Reviewed by Malcolm Toon.

THIS IS the sort of book that gives me an acute case of dyspepsia. Not because of its content, for as former Senator J. William Fulbright points out in his introduction, the interviews with Georgi A. Arbatov — director of the Institute of U.S.A. and Canadian Studies in Moscow — accurately reflect the official Soviet point of view, but because the book provides the sort of effective propaganda platform for our Soviet adversary in this country that is consistently denied in the Soviet Union. Most of us who have dealt professionally with the Soviet Union have long envied the access to U.S. media and academic freely accorded to Arbatov and other Soviet spokesmen who masquerade as "independent" but who in fact are fierce propagandists and apologists for official Soviet policies and behavior.

I personally would give my eyeteeth for an opportunity to respond to questions by a friendly interlocutor, have them recorded in book form in the Russian language, and then have the book freely and widely distributed throughout the Soviet Union with ringing endorsements by, say, Supreme Soviet Deputy Boris Ponomarev and Georgi A. Arbatov himself as required reading for every thinking Russian. Such a format would be roughly parallel with the opportunity given Arbatov with "The Soviet Viewpoint," which bears a warm introduction from Senator Fulbright and even an accolade from George F. Kennan.

The book takes the form of answers by Arbatov to 150 questions, principally about the U.S.-Soviet relationship, framed and put to him by the Dutch journalist Willem Oltmans in a series of visits to Moscow from 1979 to 1981. The questions and answers are grouped under the following headings: The Order of Detente and the Value of Accurate Perceptions; The History of Soviet-American Relations; Peace and War; The Arms Race and Arms Control; Issues of Ideology, Human Rights and Dissidents; The Two Giants and

the World. This all-encompassing potpourri of official Soviet opinions — again I remind the reader that despite his disclaimer Arbatov speaks for the Soviet government — on everything that affects U.S. relations with Moscow is topped off by "a few words about the future," reflecting, for the most part, Arbatov's current pessimistic view that unless President Reagan drastically changes his policies and attitudes or unless he departs from the American political scene after one term, time will run out for all of us.

The above remarks will be interpreted by some as a reflection of personal animosity toward Arbatov. I would regard such a reaction as unfair. I respect Arbatov as an astute, albeit subjective, observer of the U.S. scene and an accurate purveyor of the official Soviet line, but I have never ceased to be amazed at the man's consummate arrogance and gall; and I have long been disturbed by his one-sided assessment of the world scene and the impact of this on Soviet leaders, with many of whom Arbatov is well-connected. These traits and the characteristics of Arbatov's approach are amply revealed in many of his answers to Oltmans' questions, and it is clear that Arbatov has changed little since his stewardship in Moscow (1976-1979), when I knew him well.

Arbatov has never been shy about commenting on American ineptitudes and shortcomings as a people and he remains perfectly unrestrained in his answers to Oltmans' queries, many of which are by no means unbiased. Reacting to Oltmans' rather snide observation about Americans' egotism, Arbatov says, "I've observed many times how difficult it is for Americans to put themselves in other people's shoes, or even to imagine the consequences of American actions for others. Sometimes I think that it is not only the dubious intentions and vested interest of some Americans that cause some of the problems that are of foremost importance today, but also their inability to look at life through the eyes of the other side. We have already discussed, for instance, how the United States, in evaluating Soviet military power, ignores the real threats faced by the Soviet Union and then shouts about the 'Soviet threat.' I don't think the United States fully understands its allies either," and finally "American ignorance about the Third World is even greater."

While, as these examples illustrate, there is a heavy propaganda slant to Arbatov's views, I agree with Senator Fulbright that Arbatov's observations should be the subject of serious study and evaluation by the Congress, the administration and the public and that "to understand the Russians, their purposes and their abilities and decide how to treat them is the most critical problem facing the nations of the West."

In my opinion, it is equally essential to stability and lasting peace for the Soviets to have a clear understanding of our purposes, our abilities, and our concerns — and for this, too, by our spokesman to the Soviet people, as Arbatov has to us through this book, is essential.

Malcolm Toon is a former U.S. ambassador to the Soviet Union. He wrote this review for The Washington Post.

## Solution to Previous Puzzle

BEAN DOES STARS  
ALTO ETTIE OWLET  
TURNABOUT LIAMA  
EDITS EDUCATION  
REPEAT EPACT  
NEAR PEERED  
ALBACROSS DRIVE  
ONE LITTLE  
OBEAD ETERNALLY  
KERNEL RIOT  
OPERA ENTOME  
MESMERIZE CIVIL  
OCEAN PULVERIZE  
WORLD ERSE ENIS  
SLAYS NEAT DENT

## BRIDGE

By Alan Truscott

THE diagramed deal is a remarkable example of psychological awareness.

West was feeling a warm glow of happiness when he dealt the hearts and raised by the opposition. He had a nasty little surprise ready for them in that department. But he was the one who received the surprise when North-South reverted to diamonds and reached the six level.

But West could see, as any good player would, that his heart holding would be the key to defeating six diamonds as well as six hearts. Obviously, North and South held four hearts each. Evidently, he could lead a heart and give his partner a ruff, then regain the lead in spades for another

heart ruff, beating the contract at least two tricks. As the cards lie, the result with best defense is down four.

Most good players would reason thus far, and reject the thought of doubling for fear of driving the opponents into the opposition. He had a nasty little surprise ready for them in that department. But he was the one who received the surprise when North-South reverted to diamonds and reached the six level.

But West could see, as any good player would, that his heart holding would be the key to defeating six diamonds as well as six hearts. Obviously, North and South held four hearts each. Evidently, he could lead a heart and give his partner a ruff, then regain the lead in spades for another

heart ruff, beating the contract at least two tricks. As the cards lie, the result with best defense is down four.

Most good players would reason thus far, and reject the thought of doubling for fear of driving the opponents into the opposition. He had a nasty little surprise ready for them in that department. But he was the one who received the surprise when North-South reverted to diamonds and reached the six level.

But West could see, as any good player would, that his heart holding would be the key to defeating six diamonds as well as six hearts. Obviously, North and South held four hearts each. Evidently, he could lead a heart and give his partner a ruff, then regain the lead in spades for another

heart ruff, beating the contract at least two tricks. As the cards lie, the result with best defense is down four.

Most good players would reason thus far, and reject the thought of doubling for fear of driving the opponents into the opposition. He had a nasty little surprise ready for them in that department. But he was the one who received the surprise when North-South reverted to diamonds and reached the six level.

But West could see, as any good player would, that his heart holding would be the key to defeating six diamonds as well as six hearts. Obviously, North and South held four hearts each. Evidently, he could lead a heart and give his partner a ruff, then regain the lead in spades for another

heart ruff, beating the contract at least two tricks. As the cards lie, the result with best defense is down four.

Most good players would reason thus far, and reject the thought of doubling for fear of driving the opponents into the opposition. He had a nasty little surprise ready for them in that department. But he was the one who received the surprise when North-South reverted to diamonds and reached the six level.

But West could see, as any good player would, that his heart holding would be the key to defeating six diamonds as well as six hearts. Obviously, North and South held four hearts each. Evidently, he could lead a heart and give his partner a ruff, then regain the lead in spades for another

heart ruff, beating the contract at least two tricks. As the cards lie, the result with best defense is down four.

Most good players would reason thus far, and reject the thought of doubling for fear of driving the opponents into the opposition. He had a nasty little surprise ready for them in that department. But he was the one who received the surprise when North-South reverted to diamonds and reached the six level.

But West could see, as any good player would, that his heart holding would be the key to defeating six diamonds as well as six hearts. Obviously, North and South held four hearts each. Evidently, he could lead a heart and give his partner a ruff, then regain the lead in spades for another

heart ruff, beating the contract at least two tricks. As the cards lie, the result with best defense is down four.

Most good players would reason thus far, and reject the thought of doubling for fear of driving the opponents into the opposition. He had a nasty little surprise ready for them in that department. But he was the one who received the surprise when North-South reverted to diamonds and reached the six level.

But West could see, as any good player would, that his heart holding would be the key to defeating six diamonds as well as six hearts. Obviously, North and South held four hearts each. Evidently, he could lead a heart and give his partner a ruff, then regain the lead in spades for another

heart ruff, beating the contract at least two tricks. As the cards lie, the result with best defense is down four.

Most good players would reason thus far, and reject the thought of doubling for fear of driving the opponents into the opposition. He had a nasty little surprise ready for them in that department. But he was the one who received the surprise when North-South reverted to diamonds and reached the six level.

But West could see, as any good player would, that his heart holding would be the key to defeating six diamonds as well as six hearts. Obviously, North and South held four hearts each. Evidently, he could lead a heart and give his partner a ruff, then regain the lead in spades for another

heart ruff, beating the contract at least two tricks. As the cards lie, the result with best defense is down four.

Most good players would reason thus far, and reject the thought of doubling for fear of driving the opponents into the opposition. He had a nasty little surprise ready for them in that department. But he was the one who received the surprise when North-South reverted to diamonds and reached the six level.

But West could see, as any good player would, that his heart holding would be the key to defeating six diamonds as well as six hearts. Obviously, North and South held four hearts each. Evidently, he could lead a heart and give his partner a ruff, then regain the lead in spades for another

heart ruff, beating the contract at least two tricks. As the cards lie, the result with best defense is down four.

Most good players would reason thus far, and reject the thought of doubling for fear of driving the opponents into the opposition. He had a nasty little surprise ready for them in that department. But he was the one who received the surprise when North-South reverted to diamonds and reached the six level.

But West could see, as any good player would, that his heart holding would be the key to defeating six diamonds as well as six hearts. Obviously, North and South held four hearts each. Evidently, he could lead a heart and give his partner a ruff, then regain the lead in spades for another

heart ruff, beating the contract at least two tricks. As the cards lie, the result with best defense is down four.

Most good players would reason thus far, and reject the thought of doubling for fear of driving the opponents into the opposition. He had a nasty little surprise ready for them in that department. But he was the one who received the surprise when North-South reverted to diamonds and reached the six level.

But West could see, as any good player would, that his heart holding would be the key to defeating six diamonds as well as six hearts. Obviously, North and South held four hearts each. Evidently, he could lead a heart and give his partner a ruff, then regain the lead in spades for another

heart ruff, beating the contract at least two tricks. As the cards lie, the result with best defense is down four.

Most good players would reason thus far, and reject the thought of doubling for fear of driving the opponents into the opposition. He had a nasty little surprise ready for them in that department. But he was the one who received the surprise when North-South reverted to diamonds and reached the six level.

But West could see, as any good player would, that his heart holding would be the key to defeating six diamonds as well as six hearts. Obviously, North and South held four hearts each. Evidently, he could lead a heart and give his partner a ruff, then regain the lead in spades for another

heart ruff, beating the contract at least two tricks. As the cards lie, the result with best defense is down four.

Most good players would reason thus far, and reject the thought of doubling for fear of driving the opponents into the opposition. He had a nasty little surprise ready for them in that department. But he was the one who received the surprise when North-South reverted to diamonds and reached the six level.

But West could see, as any good player would, that his heart holding would be the key to defeating six diamonds as well as six hearts. Obviously, North and South held four hearts each. Evidently, he could lead a heart and give his partner a ruff, then regain the lead in spades for another

heart ruff, beating the contract at least two tricks. As the cards lie, the result with best defense is down four.

Most good players would reason thus far, and reject the thought of doubling for fear of driving the opponents into the opposition. He had a nasty little surprise ready for them in that department. But he was the one who received the surprise when North-South reverted to diamonds and reached the six level.

But West could see, as any good player would, that his heart holding would be the key to defeating six diamonds as well as six hearts. Obviously, North and South held four hearts each. Evidently, he could lead a heart and give his partner a ruff, then regain the lead in spades for another

heart ruff, beating the contract at least two tricks. As the cards lie, the result with best defense is down four.

Most good players would reason thus far, and reject the thought of doubling for fear of driving the opponents into the opposition. He had a nasty little surprise ready for them in that department. But he was the one who received the surprise when North-South reverted to diamonds and reached the six level.

But West could see, as any good player would, that his heart holding would be the key to defeating six diamonds as well as six hearts. Obviously, North and South held four hearts each. Evidently, he could lead a heart and give his partner a ruff, then regain the lead in spades for another

heart ruff, beating the contract at least two tricks. As the cards lie, the result with best defense is down four.

Most good players would reason thus far, and reject the thought of doubling for fear of driving the opponents into the opposition. He had a nasty little surprise ready for them in that department. But he was the one who received the surprise when North-South reverted to diamonds and reached the six level.

But West could see, as any good player would, that his heart holding would be the key to defeating six diamonds as well as six hearts. Obviously, North and South held four hearts each. Evidently, he could lead a heart and give his partner a ruff, then regain the lead in spades for another

heart ruff, beating the contract at least two tricks. As the cards lie, the result with best defense is down four.

Most good players would reason thus far, and reject the thought of doubling for fear of driving the opponents into the opposition. He had a nasty little surprise ready for them in that department. But he was the one who received the surprise when North-South reverted to diamonds and reached the six level.

## Amsterdam

Close Prev. 274.00 274.00

ABN 107.50 107.50

ACE 107.50 107.50

Alcatraz 107.50 107.50

Alcatraz 107.50 107.50

Alcatraz 107.50 107.50

Alcatraz 107.50 107.50

Alcatraz 107.50 107.50

Alcatraz 107.50 107.50

Alcatraz 107.50 107.50

Alcatraz 107.50 107.50

Alcatraz 107.50 107.50

Alcatraz 107.50 107.50

Alcatraz 107.50 107.50

Alcatraz 107.50 107.50

Alcatraz 107.50 107.50

Alcatraz 107.50 107.50

Alcatraz 107.50 107.50

Alcatraz 107.50 107.50

Alcatraz 107.50 107.50

Alcatraz 107.50 107.50

Alcatraz 107.50 107.50

Alcatraz 107.50 107.50

Alcatraz 107.50 107.50

Alcatraz 107.50 107.50

Alcatraz 107.50 107.50

Alcatraz 107.50 107.50

Alcatraz 107.50 107.50

Alcatraz 107.50 107.50

Alcatraz 107.50 107.50

Alcatraz 107.50 107.50

Alcatraz 107.50 107.50

Alcatraz 107.50 107.50

## Frankfurt

Close Prev. 274.00 274.00



## SPORTS

## Spurs Defeat Lakers, 122-113; Series at 1-1

Compiled by Our Staff From Dispatches  
INGLEWOOD, California — George Gervin scored 22 of his 32 points in the second half Tuesday night, leading the San Antonio Spurs to a 122-113 victory over the Los Angeles Lakers and deadlocking the National Basketball Association's Western Conference Championship series at 1-1.

The best-of-seven series will

## NBA PLAYOFFS

move to San Antonio for Games 3 and 4 on Friday and Sunday.

Gervin was sensational in the second half despite picking up his fourth foul early in the third period. He went on to score 16 points in the quarter, making all seven of his field goal attempts and a pair of free throws.

San Antonio center Artis Gilmore, held to only seven points and six rebounds in Sunday's series opener, had 27 points and 20 rebounds. Mike Mitchell also had 27 points and pulled down 16 rebounds for the Spurs.

Ervin Johnson and Norm Nixon led the Lakers with 28 points apiece. Johnson also had a team-leading 12 rebounds. Kareem Abdul-Jabbar, who scored 30 points in Game 1, was held to 19 — all but six of them in the first half.

The Spurs never trailed. They

scored 10 straight points to take a 12-2 advantage and were on top, 31-17, after eight minutes of play. It was 35-26 at the end of the first quarter and 49-35 before the Lakers scored 22 of the final 33 points of the first half to trail, 60-57, at the intermission.

Los Angeles got as close as 66-65 early in the third quarter before Gervin and the Spurs opened up a 13-point advantage late in the period.

The Lakers closed to 97-89 entering the final quarter and twice drew to within one point. San Antonio led, 103-102, midway through the quarter before outscoring Los Angeles 12-4 and taking a nine-point lead. The Lakers couldn't get closer than six points after that.

After committing his fourth foul after 3:27 of the third quarter, Gervin seemed inspired. "The ball felt like a baseball tonight when I got it going," he said. "The key was the overall effort of the team, not my scoring. Now we have to go home and play. We are in a position to take control."

Assessing his turnaround from Game 1, Gilmore, who had fouled out in the opener, remarked: "Obviously, I thought the most important thing was to stay out of trouble."

"I was able to get position to



Duane Sutter got the Islanders the only goal they needed by beating Oiler goalie Andy Moog at 5:36 of the first period in Tuesday's Game 1 of the Stanley Cup title series. Moog had made a solid stop on a shot from the point by Stefan Persson, but New York's Bob Bourne got the rebound to Sutter — who had outflanked Moog and scored on a tap-in.

## Islanders Defeat Oilers, 2-0

By Kevin Dupont  
New York Times Service

EDMONTON, Alberta — The New York Islanders showed up for the opener of the National Hockey League championship series Tuesday night without their top goal-scoring defenseman, Mike Bossy, who was sidelined with tonsillitis. The Islanders showed up with the highest-scoring team in National Hockey League history, but left with their offense grounded.

The Islanders won, 2-0, backed by the 35-save performance of goalie Billy Smith, before a sellout crowd of 17,498 at Northlands Coliseum.

"I think we're a little disappointed," said Wayne Gretzky, the center and cornerstone of the Oilers' offense. "But I think maybe this was the best loss we ever had."

"I think we did everything we wanted to do," said Glen Sather, the Oilers' president, general manager and coach. "But score."

It was the first time the Oilers had been shut out in 198 games, dating to March 12, 1981 — when Smith blanked them, 5-0. The shutout was also the first for Edmonton in 30 playoff games. The Oilers established an NHL high during the regular season with 424 goals in 80 games and had scored 74 goals in 12 playoff games this year.

Still, it was not until Ken Morrow scored an empty-net goal with 12 seconds to play that the Island-

ers secured their victory. They were clinging to a 1-0 lead that Duane Sutter gave them with 5 minutes 36 seconds gone in the opening period.

Smith, who started all six games in the previous playoff series against Boston, stopped 14 shots in the first period, 12 in the second and nine in a frantic final 20 minutes. It was the second shutout he has turned in during this year's

## STANLEY CUP FINALS

playoffs and the fifth of his post-season career.

"I think it was a good performance by me," said Smith, "but I think it was a great performance by my defensemen. We knew we would have to play tight against Edmonton or they would blow us right out of the rink."

That was made even clearer when it was learned that Bossy, who led all playoff scorers this year with 15 goals, was sidelined. Arron, after the game, said Bossy had "severe tonsillitis" and that his condition would be evaluated on a game-to-game basis. The second game of the best-of-seven series is scheduled for Thursday night, Games 3 and 4 will be Saturday and Sunday nights in Unidome, New York.

The Oilers, who have four fourth-round games in their lineup who finished with more than 100 regular-season

points, opened up like it would be anything but a one-of-two-goal game. They attacked from the outset, sending five shots at Smith in the first five minutes.

But the Islanders, landing an equal number of shots on goaltender Andy Moog, took the lead. Bob Bourne picked up Stefan Persson's blocked shot, slipped it across the slot, and Sutter was in front for an easy tap-in on the open right side. From there, Smith grew sharper.

Smith turned in two excellent saves late in the second period. He stopped a rinkling rush by Paul Coffey at 14:59, pinning the defenseman's backhand against the right post. And, with 1:43 to go in the period, Smith slid across his crease and stopped Gretzky's attempted stuff of a Jari Kurri pass.

Gretzky was again fouled with 21 seconds to play in the game. Kurri shot a pass across from the left side that Gretzky only had to tip in at the right post for a 1-1 tie.

But Denis Potvin, anticipating the pass, prevented the score. "I saw the pass come across," said Potvin. "And I was just able to get a piece of it to knock it wide."

The Oilers' best scoring chance was not even recorded as a shot. With 5:21 to play, Kevin Lowe beat Smith with a shot that hit the right post and bounced wide. "I didn't get beat," said Smith, smiling as he corrected a reporter. "You only beat when it goes in the net."

## Rookie Leads Indians to Victory Over Royals

Compiled by Our Staff From Dispatches  
CLEVELAND — Rookie Julio Franco had three hits, including a three-run double, to spark the Indians to a 4-1 victory over the Kansas City Royals here Tuesday night.

Franco, who also stole three bases, delivered a home-loaded double off Vida Blue (0-2) in the fifth inning and walked and scored Cleveland's fourth run in the eighth.

Len Barker, who had blown 4-0 and 7-0 leads in his last two starts, pitched a four-hitter through eight innings to improve his record to 4-1.

Reliever Neal Heaton got George Brett to hit into a force play in the ninth, ending the Royals' season's 1983 hitting streak at 19 games (25 games during last season). Concluded Brett, whose batting average fell to .427: "That's life."

Tigers 4, A's 3

In Detroit, back-to-back run-scoring doubles by Alan Trammell and Lou Whitaker in the second and third innings helped the Tigers to a 4-3 decision over Oakland. Dave Rucker, making his first start since being recalled from the minors, got the victory while Lopez notched his second save. Dave Lopez hit a home run for the A's.

Angels 6, Red Sox 5

In Boston, Juan Beniquez drove in pinch hitter Rod Carew with the go-ahead run in the ninth to lift California to a 6-5 victory over the Red Sox. Carew led off the inning with a double to left-center off Luis Aponte (3-1) and scored when Beniquez drove a single to center after filling to advance Carew on a bunt. Luis Sanchez worked the final out and then sent Sanderson

to 4-1. Mike Witt got the final out in the ninth to register his third save.

Orioles 13, Mariners 2

In Baltimore, Al Bumbry's two-out, three-run triple highlighted a five-run fourth that carried the Orioles to a 13-2 rout of Seattle. Dennis Martinez (3-5) went the distance and was the beneficiary of a 12-hit attack. The Mariners also collected 12 hits, including four singles by Steve Henderson, and

staggering a solid left. Both benches emptied, but the Orioles were quickly stopped and Washington was ejected. Atlanta starter Craig McMurtry (4-1) did not allow a hit for the first six innings; he lost his no-hitter on Gary Carter's two-out double in the seventh. The Braves made it 4-0 in their half of the inning when Glenn Hubbard hit a two-run triple and McMurtry squeezed him home.

Phillies 3, Reds 1

In Cincinnati, Steve Carlton pitched a five-hitter and Tony Perez celebrated his Cincinnati homecoming by tripping in two runs to lift Philadelphia to a 3-1 victory over the Reds. Carlton (5-2) struck out seven to run his career total to 3,504, four behind Walter Johnson for the No. 2 spot on the all-time list.

Astros 5, Mets 4

In Houston, Dennis Walling's bases-loaded single with one out in the 11th gave the Astros to a 5-4 squeaker over New York. Luis Pujols led off the inning with a single off reliever Neil Allen (0-4) and Bill Doran walked. Both advanced on Kevin Bass's sacrifice bunt. Omar Moreno was walked intentionally to load the bases before Walling delivered his game-winner.

Padres 4, Pirates 1

In San Diego, Steve Garvey singled home the tie-breaking run and Terry Kennedy doubled in two more to highlight a three-run seventh that powered the Padres past Pittsburgh, 4-1.

Cubs 3, Dodgers 2

In Los Angeles, Larry Bowa singled in pinch hitter Mike Proly with an unearned run in the fifth to boost Chicago to a 3-2 decision over the Dodgers. Jerry Morales opened the inning with a double and Bob

Wells (1-3) then threw wildly past first on Proly's sacrifice bunt, enabling Morales to score and Proly to reach second. Ryne Sandberg singled Proly to third before Bowa followed with his single.

Cardinals 8, Giants 4

In San Francisco, Darrell Porter drove in five runs with his second and third homers of the year to power St. Louis past the Giants, 8-4. John Martin started for Cardinals but was lifted in the fifth when San Francisco loaded the bases with one out. John Stuper (3-1) finished up for the victory. Louer Andy McGaffigan (2-3) was touched for six runs in four innings.

Major League Standings

NATIONAL LEAGUE EAST		W	L	Pct.	GB
Philadelphia	14	9	5	.643	—
Montreal	14	11	5	.560	2
St. Louis	14	11	5	.560	2
Pittsburgh	10	15	4	.400	6
Chicago	9	19	3	.316	8
New York	8	18	3	.308	9
WEST DIVISION		W	L	Pct.	GB
Los Angeles	21	8	2	.875	—
San Diego	20	8	2	.857	1
Cincinnati	14	14	4	.667	7
San Diego	14	14	4	.667	7
Cincinnati	14	14	4	.667	7
Houston	14	14	4	.667	7
AMERICAN LEAGUE EAST DIVISION		W	L	Pct.	GB
Boston	16	11	3	.591	—
Montreal	16	11	3	.591	—
Milwaukee	14	12	3	.538	2
Toronto	14	12	3	.538	2
Cleveland	13	13	3	.519	3
Chicago	11	15	4	.423	5
Detroit	11	14	4	.438	6
WEST DIVISION		W	L	Pct.	GB
California	22	5	1	.952	—
Texas	15	12	3	.857	7
Kansas City	14	12	3	.857	7
Chicago	12	14	4	.625	9
Minnesota	12	14	4	.625	9
Seattle	11	14	4	.577	10

Wells (1-3) then threw wildly past first on Proly's sacrifice bunt, enabling Morales to score and Proly to reach second. Ryne Sandberg singled Proly to third before Bowa followed with his single.

Cardinals 8, Giants 4

In San Francisco, Darrell Porter drove in five runs with his second and third homers of the year to power St. Louis past the Giants, 8-4. John Martin started for Cardinals but was lifted in the fifth when San Francisco loaded the bases with one out. John Stuper (3-1) finished up for the victory. Louer Andy McGaffigan (2-3) was touched for six runs in four innings.

Major League Standings

NATIONAL LEAGUE EAST		W	L	Pct.	GB
Philadelphia	14	9	5	.643	—
Montreal	14	11	5	.560	2
St. Louis	14	11	5	.560	2
Pittsburgh	10	15	4	.400	6
Chicago	9	19	3	.316	8
New York	8	18	3	.308	9
WEST DIVISION		W	L	Pct.	GB
Los Angeles	21	8	2	.875	—
San Diego	20	8	2	.857	1
Cincinnati	14	14	4	.667	7
San Diego	14	14	4	.667	7
Cincinnati	14	14	4	.667	7
Houston	14	14	4	.667	7
AMERICAN LEAGUE EAST DIVISION		W	L	Pct.	GB
Boston	16	11	3	.591	—
Montreal	16	11	3	.591	—
Milwaukee	14	12	3	.538	2
Toronto	14	12	3	.538	2
Cleveland	13	13	3	.519	3
Chicago	11	15	4	.423	5
Detroit	11	14	4	.438	6
WEST DIVISION		W	L	Pct.	GB
California	22	5	1	.952	—
Texas	15	12	3	.857	7
Kansas City	14	12	3	.857	7
Chicago	12	14	4	.625	9
Minnesota	12	14	4	.625	9
Seattle	11	14	4	.577	10

Wells (1-3) then threw wildly past first on Proly's sacrifice bunt, enabling Morales to score and Proly to reach second. Ryne Sandberg singled Proly to third before Bowa followed with his single.

Cardinals 8, Giants 4

In San Francisco, Darrell Porter drove in five runs with his second and third homers of the year to power St. Louis past the Giants, 8-4. John Martin started for Cardinals but was lifted in the fifth when San Francisco loaded the bases with one out. John Stuper (3-1) finished up for the victory. Louer Andy McGaffigan (2-3) was touched for six runs in four innings.

Major League Standings

NATIONAL LEAGUE EAST		W	L	Pct.	GB
Philadelphia	14	9	5	.643	—
Montreal	14	11	5	.560	2
St. Louis	14	11	5	.560	2
Pittsburgh	10	15	4	.400	6
Chicago	9	19	3	.316	8
New York	8	18	3	.308	9
WEST DIVISION		W	L	Pct.	GB
Los Angeles	21	8	2	.875	—
San Diego	20	8	2	.857	1
Cincinnati	14	14	4	.667	7
San Diego	14	14	4	.667	7
Cincinnati	14	14	4	.667	7
Houston	14	14	4	.667	7
AMERICAN LEAGUE EAST DIVISION		W	L	Pct.	GB
Boston	16	11	3	.591	—
Montreal	16	11	3	.591	—
Milwaukee	14	12	3	.538	2
Toronto	14	12	3	.538	2
Cleveland	13	13	3	.519	3
Chicago	11	15	4	.423	5
Detroit	11	14	4	.438	6
WEST DIVISION		W	L	Pct.	GB
California	22	5	1	.952	—
Texas	15	12	3	.857	7
Kansas City	14	12	3	.857	7
Chicago	12	14	4	.625	9
Minnesota	12	14	4	.625	9
Seattle	11	14	4	.577	10

Wells (1-3) then threw wildly past first on Proly's sacrifice bunt, enabling Morales to score and Proly to reach second. Ryne Sandberg singled Proly to third before Bowa followed with his single.

Cardinals 8, Giants 4

In San Francisco, Darrell Porter drove in five runs with his second and third homers of the year to power St. Louis past the Giants, 8-4. John Martin started for Cardinals but was lifted in the fifth when San Francisco loaded the bases with one out. John Stuper (3-1) finished up for the victory. Louer Andy McGaffigan (2-3) was touched for six runs in four innings.

Major League Standings

NATIONAL LEAGUE EAST		W	L	Pct.	GB
Philadelphia	14	9	5	.643	—
Montreal	14	11	5	.560	2
St. Louis	14	11	5	.560	2
Pittsburgh	10	15	4	.400	6
Chicago	9	19	3	.316	8
New York	8	18	3	.308	9
WEST DIVISION		W	L	Pct.	GB
Los Angeles	21	8	2	.875	—
San Diego	20	8	2	.857	1
Cincinnati	14	14	4	.667	7
San Diego	14	14	4	.667	7
Cincinnati	14	14	4	.667	7
Houston	14	14	4	.667	7
AMERICAN LEAGUE EAST DIVISION		W	L	Pct.	GB
Boston	16	11	3	.591	—
Montreal	16	11	3	.591	—
Milwaukee	14	12	3	.538	2
Toronto	14	12	3	.538	2
Cleveland	13	13	3	.519	3
Chicago	11	15	4	.423	5
Detroit	11	14	4	.438	6
WEST DIVISION		W	L	Pct.	GB
California	22	5	1	.952	—
Texas	15	12	3	.857	7
Kansas City	14	12	3	.857	7
Chicago	12	14	4	.625	9
Minnesota	12	14	4	.625	9
Seattle	11	14	4	.577	10

## EMPLOYMENT

EXECUTIVES AVAILABLE

URBAN PLANNER, American, 35, single, seeks post planning / computer field. Master's Degree in Urban Economics. Planning Experience. Excellent methods of computer applications. Planning background. Excellent salary. Please call French speaking. Paris, France. Box 384, Herald Tribune, 92211 Neuilly Cedex, France.

TRANSPORTATION EXECUTIVE, 25 years experience Ocean S.S. Agency, NYCC, Trucking Administration Consultant from Europe, Mexico, Canada, USA including marketing sales. 300K annual income. 100% USA Citizen. Contact J. Wines & Associates, Inc., 11111 W. 117th, Tulsa, OK 74133.

AMERICAN, 48 years, extensive travel, knowledge and experience in international travel. Have completed many projects on general management, financial, marketing, sales, personnel, etc. Please call French speaking. Paris, France. Box 384, Herald Tribune, 92211 Neuilly Cedex, France.

EMERITUS PRESENTABLE English, 25, Oxford educated, cosmopolitan, confident, with experience in international travel. Have completed many projects on general management, financial, marketing, sales, personnel, etc. Please call French speaking. Paris, France. Box 384, Herald Tribune, 92211 Neuilly Cedex, France.

ATMOSPHERIC AMERICAN, 32, Dartmouth, 7 years experience, regulatory, litigation, financial, marketing, sales, personnel, etc. Please call French speaking. Paris, France. Box 384, Herald Tribune, 92211 Neuilly Cedex, France.

GENERAL POSITIONS AVAILABLE

SURVEY PERSONNEL

POSITIONS AVAILABLE



